

**THE DOREEN BIRD FOUNDATION**  
(A company limited by guarantee)  
**TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2018**

# **THE DOREEN BIRD FOUNDATION**

**(A company limited by guarantee)**

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**THE DOREEN BIRD FOUNDATION**

**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 JULY 2018**

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**Trustees**

G. F. Pine, chairman  
S. A. Coen, principal of subsidiary trading college  
S. J. Atkins  
L. de Abreu, deputy principal of subsidiary trading college  
D. G. Hayes  
J. P. Emery  
N. Patel

**Company registered number**

03636078

**Charity registered number**

1073945

**Registered office**

1 Bedford Row, London, WC1R 4BZ

**Company secretary**

S.C.R. Secretaries Ltd

**Chief executive officer**

S. A. Coen

**Independent auditors**

Venthams, 51 Lincoln's Inn Fields, London, WC2A 3NA

**Bankers**

Barclays Bank plc, Bexleyheath Business Centre, Kent

**Solicitors**

Greenwoods GRM LLP, 1 Bedford Row, London, WC1R 4BZ

# **THE DOREEN BIRD FOUNDATION**

**(A company limited by guarantee)**

## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2018**

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The Trustees present their annual report together with the audited consolidated financial statements and their report of the group and the company for the 1 August 2017 to 31 July 2018. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015). These documents, together with the auditor's report, form the financial statements for the year.

The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice Applicable to Charities Preparing their accounts in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) ("Charities SORP (FRS 102)" and with provisions of the Companies Act 2006.

The directors of the company are its trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The charity is a limited company and was incorporated on 22 September 1998. It is governed by its Memorandum and Articles of Association. The company is limited by guarantee and does not have a share capital. It is incorporated under the Companies Acts. The Company is a registered Charity.

On 22 February 1999 Mrs D J Cook and Mr F E Cook transferred their holdings of 900 and 100 shares respectively in the Doreen Bird College of Performing Arts Limited to The Doreen Bird Foundation. These have been included in the financial statements at the estimated value at the date of transfer.

Mrs D J Cook died on 4 February 2004. By her will she left the charity three properties under a permanent endowment subject to the payment by the charity of the expenses of the estate including inheritance tax. These were included as tangible fixed assets but were sold in the year and replaced by a further asset which was acquired for and was redeveloped for the purposes of the trade of the subsidiary, The Doreen Bird College of Performing Arts Limited.

### **Objectives and Activities**

#### **a. Policies and objectives**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the charity commission relating to public benefit.

The objectives of the charity are as follows:

- To advance the education of the public in the study of performing arts, dance, drama, singing and related subjects.
- To promote the development of education in the performing arts.
- To promote the development of facilities for the teaching and performance of performing arts, dance, drama, singing and related subjects.

#### **b. Strategies for achieving objectives**

To achieve its objectives the company provides scholarships, bursaries and awards to applicants to attend courses and provides support to establish and maintain any college, school, or education body where students may be educated in performing arts, dance, drama, singing and related subjects.

# **THE DOREEN BIRD FOUNDATION**

**(A company limited by guarantee)**

## **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2018**

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### **c. Activities for achieving objectives**

The company provides facilities for its trading subsidiary The Doreen Bird College of Performing Arts Limited ("The College"). The College is an internationally recognised training body providing further and higher education qualifications in dance and drama and related subjects. The College also provides Music Services to the local authority schools.

### **d. Main activities undertaken to further the charity's purposes for the public benefit**

The company has provided support to students of The Doreen Bird College of Performing Arts Limited by way of providing bursaries and other financial support towards students' tuition fees. Some of these bursaries were allocated from restricted funds as the awarding of these funds conforms to the restrictions placed on these funds when they were given to the company.

The company receives a market rent from the subsidiary for the building provided by the company to the College for the purposes of the College's trade.

The costs incurred on the acquisition and refurbishment of the new premises mentioned above have been either financed from the cash reserves of the subsidiary (and therefore reflected in the balance on the intercompany account) or from bank loans granted by the Company's banker or from the sale proceeds of the three properties bequeathed to the Foundation under the will of the Founder, Mrs. Cook.

### **Achievements and performance**

#### **a. Review of activities**

The results for the year are as set out in the consolidated statement of financial activities.

#### **b. Fundraising activities/Income generation**

The acquisition of the new trading site for the subsidiary has meant that the Foundation has undertaken some fundraising towards the cost the purchase and redevelopment of the site. The University of Greenwich has provided financial support.

The subsidiary pays the company rental income for its occupancy of the site. This provides additional funds to redevelop the site and to service the bank loans.

The surplus made in the subsidiary has been invested in the new building by the subsidiary.

### **Financial review**

#### **a. Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

#### **b. Reserves policy**

The Trustees have examined the charity's requirements for reserves in the light of the main risks to the charity. They have

# **THE DOREEN BIRD FOUNDATION**

**(A company limited by guarantee)**

## **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2018**

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determined that given the commitment to assist the Doreen Bird College of Performing Arts Limited with the relocation referred to above, it should maximise the level of its unrestricted funds in order to provide this assistance in the future.

### **Structure, governance and management**

#### **a. Constitution**

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 22 September 1998.. The company and the group is constituted under a Memorandum of Association dated 22/09/98 and is a registered charity number 1073945.

The company and the group is constituted under a Memorandum of Association dated 22/09/98 and is a registered charity number 1073945.

#### **b. Method of appointment or election of Trustees**

The management of the company is the responsibility of the Trustees The Trustees are elected and co-opted under the terms of the Articles of Association which state that the number of trustees shall not be less than two but shall not be subject to any maximum. The first trustees were appointed under the Articles of Association. Trustees are required to retire by rotation at the Annual General Meeting and if the members do not fill the vacancy, the retiring trustee shall be deemed reappointed unless the trustee is unwilling to act or it is resolved not to reappoint the trustee. Additional trustees are appointed by the Company by ordinary resolution of the members. The Trustees may appoint additional trustees or fill a vacancy.

No specific policies have been adopted for the induction and training of trustees.

The Foundation has no staff so all decisions are made by the Trustees.

The Trustees serving in the year and since the end of the year are set out on page 1 of these financial statements.

#### **c. Risk management**

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

### **Plans for future periods**

#### **a. Plans for future periods - future developments**

The new site provided for the trading subsidiary has now been fully occupied by the subsidiary, but there is a continual and on going need to look at expansion of this site. The Company's bankers continue to provide additional support to undertake this expansion.

### **Members' liability**

The Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

# THE DOREEN BIRD FOUNDATION

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## TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2018

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### Trustees' responsibilities statement

The Trustees (who are also directors of The Doreen Bird Foundation for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

### Auditors

The auditors, Venthams, have indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by the Trustees, on 8 April 2019 and signed on their behalf by:

.....  
**S. A. Coen - director and trustee**

# THE DOREEN BIRD FOUNDATION

(A company limited by guarantee)

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DOREEN BIRD FOUNDATION

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### Opinion

We have audited the financial statements of The Doreen Bird Foundation (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 July 2018 set out on pages 10 to 32. 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 group's and of the parent charitable company's affairs as at 31 July 2018 and of the group's incoming resources and application of resources, including its 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.

### 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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 Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# THE DOREEN BIRD FOUNDATION

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DOREEN BIRD FOUNDATION

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### Opinion 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 Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Group strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of our 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 Trustees' 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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.

### Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

## THE DOREEN BIRD FOUNDATION

(A company limited by guarantee)

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DOREEN BIRD FOUNDATION

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#### Auditors' 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 Auditors' 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**THE DOREEN BIRD FOUNDATION**

**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DOREEN BIRD FOUNDATION**

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**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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Taylor (Senior statutory auditor)  
for and on behalf of

**Venthams**

Chartered Accountants

Statutory Auditor

51 Lincoln's Inn Fields

London

WC2A 3NA

8 April 2019

THE DOREEN BIRD FOUNDATION

(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 JULY 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>						
Charitable activities including funds raised for capital project	3					
Donations and fundraising		1,250	3,187	-	4,437	3,537
University of Greenwich contribution		-	177,581	-	177,581	151,257
Trading activities - subsidiary		5,748,254	-	-	5,748,254	5,292,691
Rental income	4	10,000	-	-	10,000	12,000
<b>Total income</b>		<b>5,759,504</b>	<b>180,768</b>	<b>-</b>	<b>5,940,272</b>	<b>5,459,485</b>
<b>Expenditure on:</b>						
Trading activities - subsidiary		5,490,426	-	-	5,490,426	4,977,398
Charitable activities:						
Prizes and bursaries		4,000	4,668	-	8,668	11,248
Interest on bank loans		76,109	-	-	76,109	81,296
Governance costs	5	17,950	-	-	17,950	14,213
<b>Total expenditure</b>	6	<b>5,588,485</b>	<b>4,668</b>	<b>-</b>	<b>5,593,153</b>	<b>5,084,155</b>
<b>Net income before investment gains</b>		<b>171,019</b>	<b>176,100</b>	<b>-</b>	<b>347,119</b>	<b>375,330</b>
Gain on revaluation of investment property in the charity		-	-	820,559	820,559	233,704
<b>Net income</b>		<b>171,019</b>	<b>176,100</b>	<b>820,559</b>	<b>1,167,678</b>	<b>609,034</b>
<b>Net movement in funds</b>		<b>171,019</b>	<b>176,100</b>	<b>820,559</b>	<b>1,167,678</b>	<b>609,034</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		1,095,600	430,658	1,405,392	2,931,650	2,322,616
<b>Total funds carried forward</b>		<b>1,266,619</b>	<b>606,758</b>	<b>2,225,951</b>	<b>4,099,328</b>	<b>2,931,650</b>

The notes on pages 14 to 32 form part of these financial statements.

THE DOREEN BIRD FOUNDATION

(A company limited by guarantee)  
REGISTERED NUMBER: 03636078

CONSOLIDATED BALANCE SHEET  
AS AT 31 JULY 2018

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	11		5,609,145		4,816,355
<b>Current assets</b>					
Debtors	14	148,019		194,219	
Cash at bank and in hand		1,059,522		608,298	
		<u>1,207,541</u>		<u>802,517</u>	
<b>Creditors:</b> amounts falling due within one year	15	(761,477)		(781,752)	
<b>Net current assets</b>			<u>446,064</u>		<u>20,765</u>
<b>Total assets less current liabilities</b>			<u>6,055,209</u>		<u>4,837,120</u>
<b>Creditors:</b> amounts falling due after more than one year	16		(1,955,881)		(1,905,470)
<b>Net assets</b>			<u><u>4,099,328</u></u>		<u><u>2,931,650</u></u>
<b>Charity Funds</b>					
Endowment funds	17		2,225,951		1,405,392
Restricted funds	17		606,758		430,658
Unrestricted funds:					
Unrestricted funds	17	1,086,358		853,919	
Revaluation reserve of the subsidiary		<u>180,261</u>		<u>241,681</u>	
Total unrestricted funds			<u>1,266,619</u>		<u>1,095,600</u>
<b>Total funds</b>			<u><u>4,099,328</u></u>		<u><u>2,931,650</u></u>

The financial statements were approved and authorised for issue by the Trustees on 8 April 2019 and signed on their behalf, by:

.....  
S. Coen - Trustee

The notes on pages 14 to 32 form part of these financial statements.

THE DOREEN BIRD FOUNDATION

(A company limited by guarantee)  
REGISTERED NUMBER: 03636078

COMPANY BALANCE SHEET  
AS AT 31 JULY 2018

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Investment property	12		4,500,000		3,500,000
Investments	13		70,000		70,000
			<u>4,570,000</u>		<u>3,570,000</u>
<b>Current assets</b>					
Debtors	14	1,048,388		794,808	
Cash at bank		15,554		19,401	
			<u>1,063,942</u>	<u>814,209</u>	
<b>Creditors:</b> amounts falling due within one year	15	(243,871)		(204,399)	
<b>Net current assets</b>			<u>820,071</u>		<u>609,810</u>
<b>Total assets less current liabilities</b>			<u>5,390,071</u>		<u>4,179,810</u>
<b>Creditors:</b> amounts falling due after more than one year	16		(1,955,881)		(1,905,470)
<b>Net assets</b>			<u><u>3,434,190</u></u>		<u><u>2,274,340</u></u>
<b>Charity Funds</b>					
Endowment funds			2,225,951		1,405,392
Restricted funds			606,758		430,658
Unrestricted funds			601,481		438,290
<b>Total funds</b>			<u><u>3,434,190</u></u>		<u><u>2,274,340</u></u>

The financial statements were approved and authorised for issue by the Trustees on 8 April 2019 and signed on their behalf, by:

S. Coen - Trustee

The notes on pages 14 to 32 form part of these financial statements.

THE DOREEN BIRD FOUNDATION

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JULY 2018

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash inflow from operating activities	19	<u>757,462</u>	<u>380,407</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(215,529)	(694,111)
Additions to investment property		<u>(179,441)</u>	<u>(16,296)</u>
<b>Net cash used in investing activities</b>		<u>(394,970)</u>	<u>(710,407)</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings excluding interest		(174,367)	(213,257)
Cash inflows from new borrowing		<u>264,000</u>	<u>-</u>
<b>Net cash provided by/(used in) financing activities</b>		<u>89,633</u>	<u>(213,257)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>452,125</b>	<b>(543,257)</b>
Cash and cash equivalents brought forward		<u>607,397</u>	<u>1,150,654</u>
<b>Cash and cash equivalents carried forward</b>	20	<u><u>1,059,522</u></u>	<u><u>607,397</u></u>

The notes on pages 14 to 32 form part of these financial statements.

# THE DOREEN BIRD FOUNDATION

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

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### 1. Statement of accounting policies and estimation techniques

#### 1.1 Basis of preparation of financial statements and consolidation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the "Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)" - (Charities SORP (FRS 102)), the "Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and the Companies Act 2006.

The Doreen Bird Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and the consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

#### 1.2 Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.



# THE DOREEN BIRD FOUNDATION

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

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### 1. Statement of accounting policies and estimation techniques (continued)

#### 1.3 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Certain types of income are shown in the Statement of financial activities net of expenditure as follows:

Recurrent grants from Funding Councils and other bodies are recognised in line with the latest estimates of the grant receivable for an academic year. Non-recurrent grants from Funding Councils or other bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets. Non-recurrent grants from Funding Councils or other bodies received in respect of revenue expenditure are recognised in the same period that the expenditure is incurred. Grants received before the expenditure has been incurred are shown in creditors.

Tuition Fees and Education Contracts represent amounts receivable from students, parents, Local Education Authorities and Sponsors in respect of tuition fees for the year under consideration.

The cost of providing bursaries and funding from the Company's own funds is excluded from tuition fees. Bursaries met by other parties are included as Tuition Fees.

# THE DOREEN BIRD FOUNDATION

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

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### 1. Statement of accounting policies and estimation techniques (continued)

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

#### 1.5 Going concern

The Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements. In making this statement the Trustees have considered a period exceeding 12 months from the date of approval of these financial statements.

#### 1.6 Turnover

Turnover comprises revenue recognised by the subsidiary in respect of services supplied during the year, exclusive of Value Added Tax and trade discounts.

#### 1.7 Tangible fixed assets and depreciation of the subsidiary

Equipment costing less than £100 per individual item is written off as expenditure in the statement of financial activities in the year of acquisition. All other equipment is capitalised at cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

# THE DOREEN BIRD FOUNDATION

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

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### 1. Statement of accounting policies and estimation techniques (continued)

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Improvements to leasehold premises -	Over the term of the lease (subsidiary only)
Costumes, props and instruments -	20% Straight line method (subsidiary only)
Motor vehicles -	20% Reducing balance method (subsidiary only)
Fixtures, fittings and equipment -	20% Reducing balance method (subsidiary only)
Computer & IT equipment -	20% Reducing balance method (subsidiary only)

#### 1.8 Revaluation of tangible fixed assets

The subsidiary has adopted the revaluation model to revalue items of property, plant and equipment whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. The fair value of items of plant and machinery is usually their market value determined by appraisal.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity.

#### 1.9 Investment Properties

Investment properties of the holding company are included in the holding company Balance Sheet at their fair value and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company and the group.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Financial Activities

The investment properties are let to the subsidiary and on consolidation are included in the consolidated Balance Sheet as tangible fixed assets.

#### 1.10 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

#### 1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

# THE DOREEN BIRD FOUNDATION

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

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### 1. Statement of accounting policies and estimation techniques (continued)

#### 1.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### 1.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### 1.14 Holiday pay accrual in the subsidiary

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

#### 1.15 Financial instruments

The subsidiary only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

#### 1.16 Pensions

The subsidiary company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the subsidiary company to the fund in respect of the year. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

# THE DOREEN BIRD FOUNDATION

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

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### 1. Statement of accounting policies and estimation techniques (continued)

#### 1.17 Critical accounting estimates and areas of judgment

Estimates and judgments 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.

##### **Critical accounting estimates and assumptions:**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### **Critical areas of judgment:**

The investment properties of the holding company have been revalued during the year at estimated market value as assessed by the directors based in consultation with external valuers.

Certain classes of tangible fixed assets of the subsidiary have been revalued during the year at estimated market value as assessed by the directors of the subsidiary in consultation with members of staff and external suppliers.

Tangible fixed assets of the subsidiary are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

The directors of the company and the subsidiary have considered whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

### 2. General Information

The Doreen Bird Foundation is a company limited by guarantee. It's registered office is 1 Bedford Row, London, WC1R 4BZ. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1.00 per member of the company.

THE DOREEN BIRD FOUNDATION

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018

3. Income from charitable activities - holding company only

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Support of the performing arts	1,250	180,768	-	182,018	154,794
<i>Total 2017</i>	<i>600</i>	<i>154,194</i>	<i>-</i>	<i>154,794</i>	

4. Investment and other income - holding company only

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Rent received from investment properties	10,000	-	-	10,000	12,000
	10,000	-	-	10,000	12,000
<i>Total 2017</i>	<i>12,000</i>	<i>-</i>	<i>-</i>	<i>12,000</i>	

5. Governance costs - holding company only

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Auditors' remuneration	2,400	-	-	2,400	3,825
Auditors' non audit costs	2,400	-	-	2,400	3,825
Legal costs	9,601	-	-	9,601	6,317
Bank charges	3,549	-	-	3,549	246
	17,950	-	-	17,950	14,213

In 2017, the governance costs were all attributable to unrestricted funds.

THE DOREEN BIRD FOUNDATION

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018

6. Analysis of Expenditure by expenditure type

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenses of the subsidiary	3,790,732	422,738	1,276,956	5,490,426	4,977,398
<b>Costs of raising funds</b>	<b>3,790,732</b>	<b>422,738</b>	<b>1,276,956</b>	<b>5,490,426</b>	<b>4,977,398</b>
Support of the performing arts	-	-	84,777	84,777	92,544
Expenditure on governance	-	-	17,950	17,950	14,213
	<b>3,790,732</b>	<b>422,738</b>	<b>1,379,683</b>	<b>5,593,153</b>	<b>5,084,155</b>
<i>Total 2017</i>	<i>3,545,023</i>	<i>311,323</i>	<i>1,227,809</i>	<i>5,084,155</i>	

7. Turnover

The whole of the income of the holding company relates to rent received from investment properties, including rental received from the subsidiary, which is eliminated on consolidation.

The income of the subsidiary relates to the trade of the subsidiary which is the operation of a Dance and Drama College including activities related to the main activity.

All turnover arose within the United Kingdom.

8. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	416,343	308,264
Auditors' remuneration - audit of the parent	2,400	3,825

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018

9. Staff costs

Staff costs were incurred wholly in the subsidiary were as follows:

	2018	2017
	£	£
Wages and salaries	3,358,629	3,164,097
Social security costs	292,059	272,276
Other pension costs	140,044	108,650
	<u>3,790,732</u>	<u>3,545,023</u>

The average number of persons employed by the subsidiary company during the year was as follows:

	2018	2017
	No.	No.
Directors	2	2
Other key management personnel	3	3
Teaching staff	61	67
Non teaching staff	37	22
	<u>103</u>	<u>94</u>

The number of higher paid employees was:

	2018	2017
	No.	No.
In the band £ 80,001 - £ 90,000	0	1
In the band £ 90,001 - £100,000	1	0
In the band £100,001 - £110,000	0	1
In the band £110,001 - £120,000	1	0

10. Trustees' remuneration

	2018	2017
	£	£
Remuneration as employees of the trading subsidiary	<u>203,622</u>	<u>198,813</u>
Company pension contributions to defined contribution pension schemes within the trading subsidiary	<u>7,784</u>	<u>11,630</u>

During the year retirement benefits were accruing to 2 Trustees (2017 - 2) in respect of defined contribution pension schemes in the subsidiary.



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(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018

11. Tangible fixed assets

Group

Group	Long-term leasehold property of the parent £	Short-term leasehold property improvements of the subsidiary £	Plant equipment and other assets of the subsidiary £	Total £
<b>Cost or valuation</b>				
At 1 August 2017	3,500,000	869,908	927,416	5,297,324
Additions	179,441	78,063	137,466	394,970
Disposals	-	-	(9,993)	(9,993)
Revaluation surplus	820,559	-	-	820,559
At 31 July 2018	4,500,000	947,971	1,054,889	6,502,860
<b>Depreciation</b>				
At 1 August 2017	-	164,469	316,500	480,969
Charge for the year	-	231,458	184,885	416,343
On disposals	-	-	(3,597)	(3,597)
At 31 July 2018	-	395,927	497,788	893,715
<b>Net book value</b>				
At 31 July 2018	4,500,000	552,044	557,101	5,609,145
At 31 July 2017	3,500,000	705,439	610,916	4,816,355

Following the reorganisation of the subsidiary into one site, a detailed review of the Fixed Assets of the subsidiary has been carried out, and a policy has been adopted of revaluing those fixed assets which existed at the date of transfer to the new site at their market value at the date of the transfer. The revaluation has been carried out by the staff of the College in consultation with external contractors and the revaluation amounts have been approved by the Board of Directors of the College.

Additions subsequent to the transfer to the new site, and the costs involved with the creation of Fixed Assets within the new site are shown at cost.

It was not practical or possible to identify the original costs of the assets which were transferred to the new site, or to identify the specific assets which were scrapped or which no longer exist. Any exercise to attempt to identify these assets would involve undue cost and effort. Accordingly no details are disclosed concerning the amounts which would have been included under the historical cost convention.

The long-term leasehold property of the parent was revalued at 31 July 2018 by Barry Carey, Head of Agency and Valuation at Fairthorn, Farrell Timms LLP, Chartered Surveyors on an open market value on the basis of its existing use basis.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018

12. Investment property

	Long term leasehold investment property £
<b>Holding company</b>	
<b>Valuation</b>	
At 1 August 2017	3,500,000
Additions at cost	179,441
Surplus on revaluation	820,559
At 31 July 2018	<u>4,500,000</u>

The investment property was revalued at 31 July 2018 by Barry Carey, Head of Agency and Valuation at Fairthorn, Farrell Timms LLP, Chartered Surveyors on an open market value on the basis of its existing use basis.

13. Fixed asset investments

	Shares in group undertakings £
<b>Holding company</b>	
At 1 August 2017 and 31 July 2018 being the valuation of the shares held in the subsidiary when the shares were left to The Foundation as a gift by the founders of the College.	<u>70,000</u>

14. Debtors

	Group		Holding company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	30,420	32,711	-	-
Amounts owed by group undertakings	-	-	1,048,388	794,808
Other debtors	20,051	20,904	-	-
Prepayments and accrued income	97,548	140,604	-	-
	<u>148,019</u>	<u>194,219</u>	<u>1,048,388</u>	<u>794,808</u>

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018

15. Creditors: Amounts falling due within one year

	Group		Holding company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans	226,489	188,168	226,489	187,268
Trade creditors	126,961	207,422	-	150
Other taxation and social security	97,575	94,177	-	-
Other creditors	47,555	48,208	-	-
Accruals and deferred income	262,897	243,777	17,382	16,981
	<b>761,477</b>	<b>781,752</b>	<b>243,871</b>	<b>204,399</b>

The bank loans of the holding company are secured on the Investment Property and by a guarantee given by the subsidiary company to a maximum of £2,400,000 (2017 £2,400,000) secured on the assets of the subsidiary.

16. Creditors: Amounts falling due after more than one year

	Group		Holding company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans	1,955,881	1,905,470	1,955,881	1,905,470

The bank loans of the holding company are secured on the Investment Property and by a guarantee given by the subsidiary company to a maximum of £2,400,000 (2017 £2,400,000) secured on the assets of the subsidiary.

THE DOREEN BIRD FOUNDATION

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NOTES TO THE FINANCIAL STATEMENTS  
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17. Statement of funds

Statement of funds - current year

	Balance at 1 August 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2018 £
<b>Unrestricted funds</b>						
Revaluation reserve of the subsidiary	241,681	-	-	(61,420)	-	180,261
Other unrestricted funds - balance on profit and loss account and retained earnings	853,919	5,759,504	(5,588,485)	61,420	-	1,086,358
	<u>1,095,600</u>	<u>5,759,504</u>	<u>(5,588,485)</u>	<u>-</u>	<u>-</u>	<u>1,266,619</u>
<b>Endowment funds</b>						
Properties	<u>1,405,392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>820,559</u>	<u>2,225,951</u>
<b>Restricted funds</b>						
Conditional donations	16,261	3,187	(4,668)	-	-	14,780
Alma Road site	<u>414,397</u>	<u>177,581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>591,978</u>
	<u>430,658</u>	<u>180,768</u>	<u>(4,668)</u>	<u>-</u>	<u>-</u>	<u>606,758</u>
Total of funds	<u><u>2,931,650</u></u>	<u><u>5,940,272</u></u>	<u><u>(5,593,153)</u></u>	<u><u>-</u></u>	<u><u>820,559</u></u>	<u><u>4,099,328</u></u>

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2017 £
<b>Unrestricted funds</b>						
Revaluation reserve of the subsidiary	307,988	-	-	(66,307)	-	241,681
Other funds - balance on profit and loss account and retained earnings	557,228	5,305,291	(5,074,907)	66,307	-	853,919
	<u>865,216</u>	<u>5,305,291</u>	<u>(5,074,907)</u>	<u>-</u>	<u>-</u>	<u>1,095,600</u>
<b>Endowment funds</b>						
Properties	1,171,688	-	-	-	233,704	1,405,392
	<u>1,171,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>233,704</u>	<u>1,405,392</u>
<b>Restricted funds</b>						
Conditional donations	22,572	2,937	(9,248)	-	-	16,261
Alma Road site	263,140	151,257	-	-	-	414,397
	<u>285,712</u>	<u>154,194</u>	<u>(9,248)</u>	<u>-</u>	<u>-</u>	<u>430,658</u>
Total of funds	<u>2,322,616</u>	<u>5,459,485</u>	<u>(5,084,155)</u>	<u>-</u>	<u>233,704</u>	<u>2,931,650</u>

The endowment funds represent the value of assets gifted to the charity by its founder either as gifts to the charity or as legacies. The founder and her husband gifted their shares in the subsidiary company to the charity and these shares have been included at a valuation at the date of the gift. Under the terms of the will of the late Mrs Doreen Cook (nee Bird) who died on 4th February 2004 the Doreen Bird Foundation was left the residue of the estate of Mrs Cook, subject to payment by the Foundation of any debts, funeral and testamentary expenses, legacies and all taxes including taxes on any legacies to other beneficiaries given free of tax. The residue of the estate included three freehold properties which were included at their probate valuation but these have now been sold and a new replacement property purchased which now forms part of the permanent endowment..

The restricted funds classified as conditional donations represent funds with restrictions on their use placed by the donors and are held by the Holding Company. The balance is represented as follows:

£8,655 (2017: £13,324) in respect of a donation from the Bexley Music Centre Charitable Trust that was made on the condition that the funds will be used to enable that trust's charitable objectives of the advancement of music education and performing arts in the Bexley London Borough may continue and £6,125 (2017 £2,937) in respect of funds raised in connection with a creation of a student hardship fund for students of the subsidiary.

The restricted funds classified as Alma Road site represent funds raised directly in connection with the project to develop a new site for the trading subsidiary.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**Summary of funds - current year**

	Balance at 1 August 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2018 £
Unrestricted funds	1,095,600	5,759,504	(5,588,485)	-	1,266,619
Endowment funds	1,405,392	-	-	820,559	2,225,951
Restricted funds	430,658	180,768	(4,668)	-	606,758
	<u>2,931,650</u>	<u>5,940,272</u>	<u>(5,593,153)</u>	<u>820,559</u>	<u>4,099,328</u>

**Summary of funds - prior year**

	Balance at 1 August 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2017 £
Unrestricted funds	865,216	5,305,291	(5,074,907)	-	1,095,600
Endowment funds	1,171,688	-	-	233,704	1,405,392
Restricted funds	285,712	154,194	(9,248)	-	430,658
	<u>2,322,616</u>	<u>5,459,485</u>	<u>(5,084,155)</u>	<u>233,704</u>	<u>2,931,650</u>

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £
Tangible fixed assets	1,109,145	-	4,500,000	5,609,145
Current assets	523,863	606,758	76,920	1,207,541
Creditors due within one year	(366,389)	-	(395,088)	(761,477)
Creditors due in more than one year	-	-	(1,955,881)	(1,955,881)
	<u>1,266,619</u>	<u>606,758</u>	<u>2,225,951</u>	<u>4,099,328</u>

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NOTES TO THE FINANCIAL STATEMENTS  
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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £
Tangible fixed assets	1,316,355	-	3,500,000	4,816,355
Current assets	373,909	430,658	(2,051)	802,516
Creditors due within one year	(594,664)	-	(187,087)	(781,751)
Creditors due in more than one year	-	-	(1,905,470)	(1,905,470)
	<u>1,095,600</u>	<u>430,658</u>	<u>1,405,392</u>	<u>2,931,650</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	Group	
	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	1,167,678	609,034
<b>Adjustment for non cash movements:</b>		
Depreciation and losses on disposal	422,739	311,324
Revaluations	(820,559)	(233,704)
Decrease/(increase) in debtors	46,200	(73,373)
Decrease in creditors	(58,596)	(232,874)
<b>Net cash provided by operating activities</b>	<u>757,462</u>	<u>380,407</u>

20. Analysis of cash and cash equivalents

	Group	
	2018 £	2017 £
Cash at bank and in hand	1,059,522	608,297
Overdraft facility repayable on demand	-	(900)
<b>Total</b>	<u>1,059,522</u>	<u>607,397</u>

**THE DOREEN BIRD FOUNDATION**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018**

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**21. Contingent liabilities**

**Value Added Tax (VAT) position of the subsidiary**

The subsidiary company, The Doreen Bird College of Performing Arts Limited, is not currently registered for VAT as the directors of that company have been of the opinion that the taxable turnover of the College is below that which requires VAT registration. The majority of its turnover arises from the supplies of education to its students or from supplies closely linked to the supply of education both of which are exempt income for VAT purposes.

In coming to this conclusion, the directors have relied on a decision of the UK tax tribunals and the European Courts which have ruled that this type of income would not be taxable in an unconnected case concerning the VAT liability of certain supplies which are closely related to education.

HMRC have issued guidance on the application of this decision and the College is of the opinion that if the guidance is applied to certain aspects of its income these items of income would not form taxable income and the remaining amounts of taxable income would not be sufficient for VAT registration to be required.

If the opinion is not confirmed, the College may be required to retrospectively register for VAT and account for tax on supplies of non-exempt income from the date that it should have been registered for VAT.

It is not possible to quantify the possible liability which may arise and as the final judgment has not been issued, no amount has been provided for in these accounts for any potential liability.

**22. Capital commitments**

The group and the company has commitments contracted for but not provided in these financial statements in respect of total payments over a 5 year period for a lease agreement entered into by the parent company on 26 January 2018 to provide a modular building to be used by the subsidiary company. :

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Total amount payable over the period of the lease.	<b>1,209,534</b>	-	<b>1,209,534</b>	-



# THE DOREEN BIRD FOUNDATION

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

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### 23. Related party transactions

Owing to the nature of the Charity's operations and the nature of its subsidiary College's operations and the Trustees being drawn in part from local private and public sector organisations, it is inevitable that transactions will take place with organisations in which a Trustee may have an interest. All transactions with such organisations are conducted at arm's length and in accordance with the Charity's and the College's financial regulations and procurement procedures.

#### **Transactions and balances with the subsidiary, The Doreen Bird College of Performing Arts Limited ("The College")**

During the year rent of £250,000 (2017: £250,000) was paid by The College, in respect of properties owned by The Doreen Bird Foundation which are occupied by The College for the purpose of its trade. This rent is eliminated on consolidation.

The Doreen Bird Foundation has agreed to provide support to The College by way of financing certain students' tuition fees by way of funding bursaries for those students. The bursaries awarded for the year amounted to £6,668 (2017 £9,248).

The Doreen Bird Foundation has awarded prizes to the best performing students of The College for the year. These prizes are paid by the Foundation directly to the students concerned. The prizes awarded for the year amounted to £2,000 (2017 £2,000).

The College owes The Doreen Bird Foundation £1,048,388 (2017 £794,808) in respect of the inter-company current account and this amount is included in debtors. These amounts are eliminated on consolidation. The amount The College owes The Foundation has risen because of the receipt of bank loans taken out in the name of The Foundation and the receipt of funding from the University towards the capital project undertaken by The Foundation. The amounts owed are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The Doreen Bird College of Performing Arts Limited has given an undertaking of £2.4 million (2017 £2.4 million) to guarantee borrowings taken out by The Doreen Bird Foundation. This is secured by fixed and floating charges over the assets of The Doreen Bird College of Performing Arts Limited. The Doreen Bird College of Performing Arts Limited has also given an indemnity in respect of the total payments due under the lease agreement that The Doreen Bird Foundation has taken out referred to in note 22 above.

### 24. Post balance sheet events

Apart from the lease commitment mentioned in note 22 above, there were no post balance sheet events which affect the figures disclosed in the accounts or which require disclosure.

### 25. Controlling party

In the opinion of the directors, there is no ultimate controlling party as the company is Limited by guarantee.

**THE DOREEN BIRD FOUNDATION**

**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018**

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**26. Principal subsidiaries**

**Doreen Bird College of Performing Arts Limited**

Subsidiary name	Doreen Bird College of Performing Arts Limited
Company registration number	0308827
Basis of control	Shareholding
Equity shareholding %	100%
Total assets as at 31 July 2018	£ 2,469,730
Total liabilities as at 31 July 2018	£ 1,734,591
Total equity as at 31 July 2018	£ 735,139
Turnover for the year ended 31 July 2018	£ 5,748,254
Expenditure for the year ended 31 July 2018	£ 5,740,425
Profit for the year ended 31 July 2018	£ 7,829