

Royal Ballet School
Annual report and financial statements
for the year ended
31 August 2019



Charity registration number: 214364
Company registration number: 547018
Principal and registered office: 46 Floral Street, London WC2E 9DA

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ANNUAL REPORT OF THE GOVERNORS

GOVERNORS, DIRECTORS AND CHARITY TRUSTEES

The Governors of Royal Ballet School (the School) are the School's Charity Trustees under charity law and the Directors of the Charitable Company. Detailed below are the Governors who served in office during the year and subsequently:

The Duchess of Wellington OBE (Chairman to 16 March and resigned 17 March 2020)
Christopher Rodrigues (appointed 26 November 2019 and Chairman from 17 March 2020)
Suneel Bakhshi (resigned 29 January 2020)
Anna Birkett
Jonathan Chenevix-Trench (resigned 26 March 2020)
Tom Clementi
Ricki Gail Conway (resigned 24 January 2019)
Genevieve Davies
Sarah Dorfman
Clarissa Farr (resigned 26 November 2019)
David Fletcher
Candida Hurst-Brown (resigned 31 March 2020)
Janet Lambert
Nancy Marks (resigned 31 January 2019)
Menna McGregor
Kevin O'Hare
Madeleine Plaut
Zita Saurel
Stephen Spurr
Kenneth Steele
Susan Wijeratna (appointed 26 November 2019)

Lady Sainsbury CBE is Governor Emerita of the School.

COMPANY SECRETARY

Pippa Adamson

PRINCIPAL AND REGISTERED OFFICE

46 Floral Street, London WC2E 9DA

OFFICERS – SENIOR LEADERSHIP TEAM

Christopher Powney	Artistic Director
Pippa Adamson	Chief Operating Officer
David Gajadharsingh	Academic and Pastoral Principal (from April 2019)
Jill Tait-Harris	Acting Academic Head and Pastoral Principal (from Sept 2018 to April 2019)
	Assistant Principal (Pastoral and Welfare)
Mark Annear	Head of Training and Access
Samira Saidi	Head of Intensive Courses and International Relations
Sarah Eliot-Cohen	Head of Development and Communications

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Roger Atkinson
Jason Hughes

Head of Site Operations
Compliance Officer

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ADVISORS

AUDITORS:

Crowe U.K. LLP

St Bride's House, 10 Salisbury Square, London EC4Y 8EH

BANKERS:

Barclays Bank plc, Education Team, Level 28, Churchill Place, London E14 5HP

SOLICITORS:

Veale Wasbrough Vizards, Narrow Quay House, Narrow Quay, Bristol BS1 4QA

Winckworth Sherwood, Minerva House, 5 Montague Close, London SE1 9DF

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ANNUAL REPORT OF THE GOVERNORS

The Governors present their annual report for the year ended 31 August 2019 under the Charities Act 2011, including the Directors' and Strategic Reports under the Companies Act 2006, together with the audited financial statements for the year.

DIRECTORS' REPORT

CONSTITUTION, OBJECTS AND ORGANISATIONAL STRUCTURE

The Royal Ballet School (the School) is a charitable company limited by guarantee (registered number 547018) and not having a share capital, and it is also a registered charity (number 214364). It was established in 1955 under a Memorandum of Association which sets out the objects and powers of the Charitable Company and is governed by its Articles of Association. The School's objects and principal activity is to train and educate full time students for a career as classical ballet dancers.

The School has a wholly owned trading subsidiary TRBS Enterprises Limited which hires out School premises and gifts its profits to the School. Consolidated accounts have not been prepared as the activities of the subsidiary are immaterial, but the trading results are shown in Note 5 of the financial statements and any gifted profits are included in the Statement of Financial Activities.

The Royal Ballet School Endowment Fund is a connected charity whose purpose is to provide funding and facilities for the students at the Royal Ballet School. The connected charity is a separate charity with trustees who are responsible for that charity and their financial statements which are not reported on in these accounts.

The School is the official School of both the Royal Ballet and Birmingham Royal Ballet companies and as a result, has close working relationships with both Artistic Directors and their staff.

VISION, MISSION AND VALUES OF THE ROYAL BALLET SCHOOL

OUR VISION

The School's vision is to be the best classical dance ballet school in the world.

OUR MISSION

Our mission is to nurture, train and educate exceptional young dancers for the Royal Ballet companies and other leading UK and international companies and to inspire the future of classical ballet training.

OUR VALUES

Student focused

Students are at the heart of everything we do at the School and their training and welfare are the basis of all decisions

Innovative and pioneering

We are a bold, forward-thinking organisation and bring this approach to all areas of our work with the utmost integrity

Promoting excellence

We maintain the highest standards of excellence in classical ballet training

Training versatile dancers

Our highly skilled dancers are able to adapt to a broad range of styles

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Respectful of our heritage

We ensure the rich heritage of the School is at the heart of our training

Faithful to our core mission

To provide the two Royal Ballet companies with top calibre dancers. We take a fully collaborative and inclusive approach with both companies

One team

We support each other, creating a warm, nurturing environment for students to maximise their potential

Committed to academic education

We give students the best possible education and in so doing open up their opportunities beyond ballet

Nurturing our students

We are respectful of our dancers as aspiring artists and as individual, intelligent human-beings

Broadening access

Sharing our expertise in classical ballet training, engaging with the wider community through our Outreach & Access programme

Pioneering in healthcare

We are at the forefront of physical and mental health provision for pre-professional dancers working to create stronger, happier and more resilient dancers.

GOVERNANCE

The School is governed by the Board of Governors whose members are also directors of the Charitable Company and charity trustees. The Board is responsible for overseeing the strategy and policies for the School and meets formally once a term (three times annually) as well as holding other meetings, especially for strategic planning discussions, as required to perform its duties.

The Board of Governors during the financial year and to the date of this report are shown on page 2.

The Board has established the following standing committees which meet before each regular meeting of the Governors or as shown:

Artistic and Academic Committee
Dance Policy Committee (meets as required)
Development Committee
Estates Committee
Finance Committee
Nominations Committee
Pastoral and Compliance Committee
Remuneration Committee (meets as required)

These committees between them have a responsibility to the Board for all the major areas of its accountability.

Nominations for new Board members are made by the Governors and Executive Officers to the Nominations Committee, who then make recommendations to the Board who elect new members. Candidates are selected based on their professional skills, knowledge, competence and experience, and Governors ensure that there is an appropriate balance of relevant skills and expertise across the Board. The Nominations Committee meets regularly and reviews the composition of the Board, taking into account the need for succession planning as existing Governors retire.

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Remuneration of staff is set by the Remuneration Committee with the policy objectives of rewarding staff fairly. Remuneration levels are reviewed annually to make sure that salaries are comparative with the market.

GOVERNOR TRAINING

All Governors are inducted into the governance and operations of the School through briefings with the Chairman and members of the Executive and Senior Leadership Teams. All Governors are trained to Level 2 in Child Protection and Safeguarding and a minimum of three Governors to Level 3. Governors are issued with a copy of the AGBIS Guidelines for Governors laying out best practice in the governance of independent schools. The training needs of Governors are reviewed from time to time and support provided as necessary. Additionally, regular presentations and reports are made to the Governing body on key issues of current and ongoing importance.

The Trustees adhere to the Charity Governance Code published in 2017 which sets out the principles and recommended practice for good governance within the sector.

ORGANISATIONAL MANAGEMENT

The day-to-day operations of the School are managed by the Executive which is made up of the Artistic Director, Chief Operating Officer and the Academic and Pastoral Principal, and also by other members of the Senior Leadership Team. Both teams are led by the Artistic Director, Christopher Powney. The Artistic Director is in control of the day-to-day running of the school but is not a member of the Board of Governors nor a company director. The rest of the Senior Leadership Team who support the Artistic Director are listed on page 2.

PUBLIC BENEFIT

The School remains committed to the aim of providing public benefit in accordance with its founding principles. The Governors have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

The School makes a major contribution to the country's global reputation for arts and culture, specialising in the area of classical ballet. A place at the School is open to any young person from the UK who possesses the potential and talent to become a professional classical ballet dancer irrespective of their social or financial background. This also applies to most overseas students from age 16 and occasionally under this age. To this end, a combination of public, private and charitable funding is available to give financial support and bursaries to students, and each year, about 90% of our students receive such support.

The Department for Education (DfE) provides means-tested grants through its Music and Dance Scheme for up to 184 students. These students can be from the UK (grants for tuition and boarding fees) or from the European Economic Area (grants for tuition fees only where a student is over age 16). Most overseas students over age 16 receive means-tested support at a similar level to the DfE scheme, funded by donations from individuals, trusts and foundations.

The School's Training and Access department provide national Associate programmes which offer young people regular access to classical ballet training classes and workshops. There are nine Associate centres across the United Kingdom; London, Birmingham, Bath, Manchester, Leeds, Totnes, Eastleigh, Newcastle and Dundee (opened in September 2019). All students are selected based on their potential as a classical ballet dancer rather than their ability to pay, and means-tested financial support is available irrespective of age or nationality.

The Intensive Courses department deliver a programme of courses throughout the year allowing

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students of classical ballet, to experience Royal Ballet School training. Annual courses are held at The Royal Ballet School and in Hong Kong. Courses are open to British and international students aged 10 to 20 years old. Again, all students are selected based on their ability rather than financial means and means-tested bursary support is available for all intensive courses.

The School also runs a national community access programme called Primary Steps, funded by the DfE. Primary Steps partners with state schools to give children of primary school age access to classical ballet through the School's students and the network of teaching expertise. There are five school centres for the programme around the country in Blackpool, Bury St Edmonds, Dagenham, Swindon and Mansfield.

Other access opportunities are available, such as demonstrations for state school students studying GCSE dance or various Insight events for the general public. A programme of professional development is available for teachers of classical ballet.

The Royal Ballet School Special Collections are being catalogued and digitised to ensure they are widely available as a leading educational resource. A Ballet History Timeline, publicly available through the School's website, tells the story of ballet in Britain, and how it relates to the wider history of Classical ballet as a theatre art form. The Timeline is illustrated by archival treasures from The Royal Ballet School Special Collections <http://timeline.royalballetschool.org.uk/information/>

EMPLOYMENT POLICY

To promote an environment in which the School can call upon the widest possible range of knowledge, skill and experience, as well as ensuring compliance with the relevant legislation and codes of practice, the Royal Ballet School is committed to achieving and maintaining a workforce which represents the population within its recruitment area.

The School has an equality policy to ensure fairness and equality of opportunity to all staff regardless of their status regarding age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

The School regularly reviews the operation of its recruitment, promotion, training and development policies to ensure that no applicant for employment or member of staff is disadvantaged by conditions or requirements which cannot be shown to be justifiable.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each of the Governors is aware, there is no relevant audit information of which the charitable company's auditor is unaware. Each Governor has taken all the steps that he/she ought to have taken as a Governor to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors 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 of the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

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- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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STRATEGIC REPORT

OBJECTIVES AND ACTIVITIES

The School is located across two sites where full-time students are trained and educated: White Lodge in Richmond Park is a boarding school for 11 to 16 year olds and Upper School in Covent Garden trains students aged 16 to 19. Upper School students board at Aud Jebson Hall in Pimlico (1st and 2nd Years) and Jebson House in Covent Garden (3rd Years).

The School's Training and Access Programme provides dance training to young Associates and gives the School the opportunity to support the most talented students to gain a full-time training place. Weekly classes are run for Junior and Mid Associates for ages 8 to 12 held in eight centres across England; Senior Associates classes for ages 13 to 15 are held in London and Birmingham and Advanced Associate classes for 16 to 17 year olds are held in London. As well as regular classes, workshops are run throughout the year. Insight and access opportunities are provided in additional locations across the UK to ensure the programme's widest possible reach.

The School offers professional development to teachers of classical ballet through its programme of Inspired seminars. Series 1 offers six one-day seminars that contain a mix of practical and pedagogic study. Series 2 consists of four one-day observation classes delivered to students of the participating teachers. Seminars are run throughout the year across the UK and overseas.

The Royal Ballet School's Diploma of Dance Teaching is a two-year part-time course which provides a sound foundation in both technical and creative approaches to teaching ballet. The first year of the two-year diploma focuses on the foundations of ballet technique, pedagogy, anatomy, reflective practice, and the workplace context for dance teachers. The second year of the course allows participants to specialise in either vocational dance training or teaching dance in the education sector.

The Intensive Course Programme offers young people aged 10 to 20 the opportunity to experience Royal Ballet School training. Courses run from one week to four weeks and attract students from the UK and overseas. UK courses are run for one week during the Easter at White Lodge and four weeks during the Summer at White Lodge and Upper School. Each April, a one week course is held in Hong Kong offering access to the School's teachers to young people in Asia and Australasia.

The partnership programme was established to open up the School to young people from state schools across the UK, sharing our expertise and training. This is carried out through the Primary Steps programme as described in the Public Benefit section on page 6.

The School's primary aim is to ensure the highest standards of classical ballet training and education of all its students, and the students are at the heart of everything we do. The main key performance measures are the rate of employment of graduating students by ballet companies around the world and the students' academic results in public examinations.

The objectives for the year to help achieve the aim were to:

- to achieve at least 85% graduate employment.
- to secure the continued funding of the Healthy Dancer Programme.
- to further extend our international Intensive Course programme into at least one more country.
- to set up a programme of international auditions and masterclasses.
- to achieve academic results above national averages at GSCE.

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- to aim to secure stability of funding from the Music and Dance Scheme and private sector.
- to maintain excellent standards of pastoral care.
- to expand our Training and Access programmes into Scotland and Northern Ireland.
- to undertake the second phase of repair and refurbishment to White Lodge's brickwork and windows.
- to launch a range of merchandise to raise funds for the School.
- to provide extended outdoor facilities for the students at White Lodge.
- to improve the WiFi infrastructure at White Lodge to deliver full coverage across the site.

ACHIEVEMENTS AND PERFORMANCE

ARTISTIC

The School aims to have 214 pupils over the year with each student being able to demonstrate the desire and level of ability to become a professional classical ballet dancer. At the start of the year in September 2018 the School had 139 full-time pupils at White Lodge and 88 full-time pupils at Upper School, a total of 227.

It was a full year of events, exchanges and performances. Highlights included:

- HRH The Prince of Wales, President of The Royal Ballet School, The Royal Ballet, and Patron of the Royal Opera House, attended a special world premiere of the ballet *The Cunning Little Vixen* at the Royal Opera House in February 2019. This new one-act ballet, created on and performed by students of the School, was staged in honour of The Prince of Wales's 70th birthday.
- Two performances at the Linbury Theatre, Royal Opera House. As part of the programme, two student choreographies chosen from the School's Emerging Choreographer Programmes, were developed and performed. The student choreographers worked with mentors to support them in the development of their pieces and enjoyed the opportunity to present their pieces again in a wider public forum.
- A sell out summer season at Opera Holland Park, followed by our Summer Performance at the Royal Opera House.
- A number of exciting and prestigious guest teachers were invited to the School to work with students including Pompeo Santoro, Goyo Montero and Patrick Armand.
- 95% of graduate students gained company contracts on leaving the School with five joining the Royal Ballet and one student joining Birmingham Royal Ballet.
- The Creative Artist programme ran for a third year to expose students to a range of creative influences and experiences to help their broader artistic development. Esteemed speakers included Oscar winning actor, Eddie Redmayne, businessman Sir Lloyd Dorfman and Dame Monica Mason being interviewed on Robert Helpmann.
- New choreographies from Ashely Page, Petal Ashmole-Miller, Anita Young and Tania Fairburn, created on the students.
- Secondment of our 3rd Year students to work with the Royal Ballet Company and Birmingham Royal Ballet.

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Highlights from Training and Access included:

- 514 students participated in the Associates programme of weekly classes, with some chosen for performances by The Royal Ballet and Birmingham Royal Ballet.
- Associate Insight weekends held in Dundee and Belfast attended by 229 students aged 7 to 18 and observed by parents and teachers.
- First audition held for a new Associate centre in Dundee with 105 applicants for 27 places.
- Primary Steps provided access to creative ballet classes for 256 students and workshops for more than 1,500 students from areas of social, economic and cultural diversity.
- 2,443 students auditioned for a place on our Associate and full-time courses.

The Royal Ballet School offered a range of Insight Days for students, their parents and teachers to learn more about the Associate Programmes and the process of auditioning for the School. The Audition Insight Day aims to demystify the process of auditioning for the Royal Ballet School and reassure both student and parent that the School's auditions are open, positive and inclusive.

In September 2018, we welcomed 15 new students to The *Diploma of Dance Teaching* course; the third cohort to study with us.

The Intensive Course programme offered a four-week Summer Schools at both White Lodge and Covent Garden, a one-week Easter intensive course held at White Lodge and for the second year, a one-week intensive course in Hong Kong. In total, 837 young dancers, from 53 countries took part.

The *Inspire* seminars for dance teachers was extremely popular and the course was delivered alongside the intensive course in Hong Kong. The positive feedback from the 297 participants has shown that the seminars delivered both in the UK and internationally, are highly beneficial for teachers with a number of years' experience as well as those that are new to the teaching profession.

ACADEMIC

The School believes passionately that students become better creative artists by using their brains as well as their bodies and so considerable emphasis is placed on the importance of academic work. Despite the increased demand posed by ongoing changes to the examination system the students once again outperformed expectations and achieved exceptional results:

The GCSE results were outstanding with 95% at Level 4 and above against a national average of 67.1%. 60% of students achieved grades 9-7, the equivalent of A/A* under the previous marking system. Each year, the School measures the 'Value Added' score for the GCSE cohort measuring how well students have performed compared to others of the same ability nationally. In 2019 the Value Added score was 0.89 meaning that on average, students achieved 0.89 of a grade more than children of a similar ability nationally. The School is very proud of its academic achievement given that students are selected purely on their ability to dance and not academic attainment.

At A Level the pass rate of 100% was maintained with 50% of results being A* to B.

In the BTEC for dance 100% of the Diploma or Extended Diploma students achieved D* to M grades – the equivalent of A* to B at A Level – with 92% of grades at Distinction* or Distinction.

In July 2019, the first cohort of students studying the three-year degree in Classical Ballet and Dance Performance in association with University of Roehampton, completed their foundation degree. The University External Examiners Report was complimentary of the quality of both the work created by the students and the teaching and administration. The students gain significant benefit from the research that underpins their practical development and are well supported with regard to their

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physical and emotional wellbeing.

Over the Summer holiday period, the Science Block was completely refurbished ready for the new academic year.

PASTORAL

The School enjoyed a second year of the enhanced Healthcare Team comprising medical, physiotherapy, nutrition, counselling, strength and conditioning, and Pilates.

Data showed a continuation of the downward injury rates. There was an overall reduction of injuries by 9.5%. Days where students were restricted on the amount of dance they could participate in fell by 83%.

The School supports students to take age appropriate responsibility for monitoring their own wellbeing, with strength and conditioning embedded as part of their normal training. Recent graduates report that on entering the workplace, they continue to use the same tools to monitor themselves.

The School is proud of its commitment mental wellbeing as well as the physical. Students have access to in house counsellors on both sites and can be referred or self-refer. Provision is three days a week at White Lodge and two days a week at Upper School. Should there be a waiting list, students are offered access to an external counselling provision.

All students are supplied with private medical cover as part of School fees. This ensures that students, regardless of financial means, have access to immediate specialist healthcare.

As part of the commitment to improved nutrition, we installed an industrial kitchen into Aud Jebsen Hall, boarding accommodation for the 1st and 2nd Year Upper School students. From September, the kitchen will provide an enhanced breakfast and evening meal provision as well as nutritionally balanced lunches and snacks at School.

FUNDRAISING

Fundraising is an essential part of the School finances without which we would not be able to offer training to as many students. The cost of full-time student support through bursaries and scholarships averages £650,000 a year. Given the current economic and political climate, we only expect this to increase. Financial assistance is also available to all qualifying students on our Associate programme and intensive courses.

In addition to the generous donations received for student support, other donations included £1,093,000 for revenue funding; £302,000 for tours, exchanges and performance, including a generous donation to fund the creation of *The Cunning Little Vixen*; £444,000 for the Healthy Dancer Programme and £50,000 for the refurbishment of the Science block. Without this support, the School would not be able to realise so many projects or offer the level of training that we do.

Costs of fundraising remained low at £317,000 (2018: £284,000) which amounted to 8% of funds raised. Non-staff costs were £3,335 (2018: £11,723).

All fundraising is carried out by the School's Development Team with support from members of the Development Committee and Governors. The school does not engage with any external third-party fundraisers. Governors receive regular updates on fundraising regulations and guidance from the Head of Development and the Development Committee.

The School abides by the appropriate code of conduct for all its fundraising, including consideration of the issues raised in the Etherington Review into Charity Fundraising Practice issued in September 2015, which put an emphasis on donor experience. The School takes its responsibility to anyone who might be vulnerable very seriously and will continue to consider this in the Charity's approach to

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fundraising activity. The School does not engage in any cold calling or put pressure on an individual to donate funds, property or other assets.

There have been no complaints in the period regarding inappropriate or intrusive contact.

BUSINESS REVIEW

Each year, the School's financial objective is to break even within its core operations and again, the School achieved this aim against a background of growing compliance and less secure funding. Administrative staffing structures remained lean to ensure resources were focused on the young people in our care. The health and wellbeing of our students remain at the heart of everything that we do.

In addition to the School's core operations, funds are raised for additional projects. In the year, the Science block was fully refurbished to offer a light, bright and modern learning environment for our students with the costs supported by a generous donor.

The School fitted an industrial kitchen in Aud Jebson Hall boarding accommodation to expand the range of foods that we offer and provide a full catering provision for 1st and 2nd Year Upper School students from September 2019. As at White Lodge, the catering provision will work hand in hand with our team of nutritionists to ensure that the students receive three, nutritionally balanced meals plus snacks, fruit, yoghurt and milk throughout the day.

Supported by a grant from the Royal Ballet School Endowment Fund, we embarked on Phase 2 of the restoration of White Lodge, a Grade One listed heritage building. The project included the restoration of the brickwork and windows on the Windsor Crescent and dining hall. Work was completed in September 2019, on time and on budget.

Focussing on the reduction of costs and energy consumption, we continued our project to convert the School's lighting provision to LED.

To improve internet access and phone coverage at White Lodge, we upgraded the Wi-Fi cabling across the whole site to ensure that staff and students have access to fast broadband speeds. The improved service has increased use of technology in the classrooms and studios, improved the quality and coverage of phone calls and offered greater reliability during video calls. The Wi-Fi project was supported by a generous donation from the Royal Ballet School PTA.

FINANCIAL REVIEW

The financial results for 2018/19 met expectations within the School's core operations with unrestricted income matching expenditure. Depreciation costs were expensed a designated property fund where amounts have been aside to cover the annual cost. Restricted funds are typically received in advance of expenditure which resulted in a surplus of restricted funds in the year. Overall, the depreciation charge of £1,195,000 and the actuarial loss on the revaluation of the defined pension scheme of £725,000 led to a total deficit of £1,385,000.

INCOME

Unrestricted income of £10,304,000 was supplemented by restricted income of £2,790,000 which included a donation of £444,200 for the Healthy Dancer Programme, £200,000 to support the international intensive course programme in Hong Kong and a grant of £244,000 to pay for the White Lodge building restoration.

Income from charitable activities increased by 5.6% from higher than expected student numbers, an increase in international auditions, and an expansion of the Associate Programme to offer insight days in Scotland and Northern Ireland.

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The School only makes offers of full time training to those who have potential to become excellent dancers, so our ability to fill places depends on the calibre of applicants, and numbers can vary. In the year we exceeded our budget to have 214 students in the School. Means-tested support continues for UK and EU students from the UK Government's Music and Dance Scheme and for overseas students at Upper School from bursary funding. In the year 89% of students at the School received some form of support. The School raises additional funds through donations to offer means-tested fee support and travel bursaries to Associates and Intensive Course students.

Donation income includes a grant from the DfE towards running the School, the Outreach and Partnership work and for the Primary Steps programme.

EXPENDITURE

Unrestricted expenditure, excluding depreciation, increased by 4.2%, with just over half the increase in costs attributable to the expansion of the Associate Programme and international auditions.

Inflation, particularly around food provision, contributed towards the remaining increases.

Expenditure remains well controlled and closely monitored.

FUNDS AND RESERVES POLICY

The School's reserves at the year end total £42,828,000 (2018: £44,213,000), made up of an £2,851,000 (2018: £3,390,000) unrestricted general fund, £37,324,000 (2018: £38,393,000) unrestricted designated fund and £2,653,000 (2018: £2,430,000) restricted funds.

The unrestricted general fund is held to provide financial stability to the School while making sure that funds are used to achieve the School's aims wherever possible. The general fund allows the School to meet its financial obligations and operate its business while managing risks and funding future work and development. The level of the unrestricted funds less those set aside for depreciation and the pension deficit under the most recent triennial valuation at the year end is £3,612,000, equivalent of four months unrestricted operating costs. At this time, the Governors, having assessed the financial stability of the School believe the level of reserves to be adequate. However, in the longer term, the focus will be to build reserves to six months. The Governors will undertake a strategy review in June 2020 to consider how best to deliver this.

Governors have reviewed the reserves policy in line with Charity Commission CC19 Guidance. Given the uncertainty around funding from September 2020 and the reduction in student funding as a result of Brexit from September 2021, the School considers it necessary to hold reserves of a level equivalent to three to six months operating costs.

The unrestricted designated fund has been put aside by Governors, and represents the funds that are invested in property and other fixed assets for the use of the School and are therefore not available for other purposes. £377,000 of the fund is set aside to support the Associate Programme after the School received a legacy. The legator stated a preference for the funds to be used for the Associate Programme.

Restricted funds are the balance of unspent funds received subject to specific conditions imposed by the donors, and are held separately to be spent in future periods.

In summary, our finances remain stable and well managed thanks to the collective team efforts of our Governors, staff, generous supporters and the PTA.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors are responsible for the management of the risks faced by the School. The Board reviews the risk register and major risks regularly. The major risks identified include the following:

- Managing the impact of the COVID-19 pandemic and school closure on student and staff

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health and wellbeing, revenue, reserves, students numbers, delivery of tuition and staffing structures.

- Loss of or reduced levels of funding from the DfE.
- Inability to attract the most talented students because of limited funding available for bursaries, particularly the removal of DfE funding for students from the European Economic Area from September 2021.
- Managing the pension fund deficit
- Impact of reduced grant funding on the maintenance of the School's property portfolio
- Impact of the cost of living in London on the recruitment of the best qualified and experienced staff.
- Financial changes affecting the sector such as loss of business rate relief, impact of minimum wage rate increases and contributions to the Teachers' Pension Scheme.
- Increased compliance agenda across all activities of the School.
- Negative or contentious publicity about The Royal Ballet School, its Governors, staff, students or graduates.

Governors consider strategy at least once a year, and ensure that business and financial strategies are in place to manage and mitigate these risks wherever possible to ensure that they do not adversely affect the School's operations or the welfare of its students. The School continues to look for funds from new sources to help mitigate the impact of future standstill funding from the DfE.

It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

PENSION PROVISION

Although the defined benefit pension scheme is now closed for future accrual, it remains a significant risk for the School. The deficit as valued by FRS 102 is included in the balance sheet as a long-term liability and balanced by a negative pension reserve. The triennial valuation continues to be used to calculate any repayments required, and these payments are incorporated into the longer term financial planning of the School so that these commitments can be met as they fall due in the future.

PLANS FOR FUTURE PERIODS

In June 2019, the Trustees undertook an a full review of the School's longer term strategy and business plan in the face of more political and financial uncertainty. The Department for Education have confirmed that fee funding for eligible students from the European Economic Area will be withdrawn for new students from September 2021. Sector concerns continue around increased employer contributions towards the Teachers' Pension Scheme and the possible future withdrawal of business rate relief.

The Royal Ballet School is classed as an independent school and receives no additional funding support for changes in government policy. However, unlike an independent school the School has no ability to increase fees to cover additional costs as these are set by the Department for Education.

Amongst the financial concerns, trustees continue to consider how the School can maintain its position as one of the best ballet schools attracting the best talent, in the face of ever increasing global competition, particularly from many European schools who benefit from more secure funding.

Looking ahead, the budget for 2019/20 has been agreed with a small surplus to protect against

ROYAL BALLET SCHOOL

ANNUAL REPORT OF THE GOVERNORS

future funding uncertainty. Included in the budget is a 3% increase in fee support through the Music and Dance Scheme. Government grants to support Outreach and Partnership work remain frozen for 2019/20 so overall government funding increase will average 2.6%, slightly ahead of inflation.

Expenditure remains streamlined although we will continue to focus resources to achieve our objectives. However, Floral Street opened in 2002 and the redevelopment of White Lodge was completed in 2009. Both sites are beginning to show signs of wear and tear with major plant coming to the end of its useful life. In 2020, the introduction of the Electrical Installation Certificate 18th Edition will require substantial investment into White Lodge and Floral Street premises.

The School's Board of Governors and Senior Leadership Team remain optimistic that in the short term, the expansion of international intensive courses and masterclasses alongside the merchandise offer, will generate the much-needed funds to maintain the School's position as a world-class classical dance training institution. However, much will now depend on persuading the DfE that it needs to invest adequately in the School to maintain our levels of excellence, in all aspects of the School.

At the time of approval, the COVID-19 virus continues to develop and on 11 March 2020, was designated a global pandemic by the World Health Organisation. Complying with the instructions of the UK Government, the School was closed on 20 March 2020 until further notice. As for many schools and businesses, both short term and long term effects of the situation are unknown but, the Governors recognise that there will be a significant impact on the School's revenue streams for the remainder of the academic year 2019/20. The DfE have confirmed their commitment to maintaining the School's funding for the Summer Term 2020.

The Governors have undertaken planning and forecasting and continue to monitor the developing situation closely, modelling various scenarios based on a variety of dates for reopening. The Governors are exploring the support mechanisms introduced by the UK government to support the workforce and ensure that the School conserves reserves as much as possible. All non-essential maintenance works have been cancelled and contractual commitments are being reviewed.

Despite the current circumstances the directors believe that the company's financial resources and contingency planning is sufficient to ensure the ability of the company to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

The objectives for 2019/20 are:

- Pursue excellence in classical ballet training and maintain an 85% employment rate.
- Continue the underpinning of our training programme with the Healthy Dancer Programme
- Expand the creative influences and experiences of our students
- Deliver the highest standards of academic provision, adjusting the curriculum in line with changes to national education policy.
- Deliver and continue to develop the degree in Classical Ballet and Dance Performance to provide an outstanding qualification for our students
- Continue to promote and develop a positive boarding experience for all of our students
- Ensure that we safeguard and promote the well-being of all of our students
- Explore new avenues for talent identification
- Remain at the forefront of community engagement through relevant and exciting access

ROYAL BALLET SCHOOL ANNUAL REPORT OF THE GOVERNORS

programmes

- Secure stable funding from the Music and Dance Scheme
- Expand the School's network of supporters to secure funding from the private sector
- Ensure compliance with all statutory requirements
- Continue to develop ties with The Royal Ballet companies
- Embrace new media platforms to positively promote our brand, standards and School.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Governors on 17 July 2020. This approval includes the approval, in their capacity as company directors, of the Directors' and Strategic Reports contained within the Annual Report. The Annual Report is signed as authorised on behalf of the Board of Governors by:



Tom Clementi
Governor

ROYAL BALLET SCHOOL

INDEPENDENT AUDITORS REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL BALLET SCHOOL

OPINION

We have audited the financial statements of The Royal Ballet School for the year ended 31 August 2019 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 August 2019 and of its 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

- the 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 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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

ROYAL BALLET SCHOOL

INDEPENDENT AUDITORS REPORT

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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In 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 strategic report or the directors' report included within 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:

- adequate accounting records have not been kept; or
- the 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 set out on page 7, 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

ROYAL BALLET SCHOOL

INDEPENDENT AUDITORS' REPORT

guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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.



Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 18 September 2020

ROYAL BALLET SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
As at 31 August 2019

STATEMENT OF FINANCIAL ACTIVITIES	Note	Unrestricted Funds		Restricted Funds	Total Funds 2019 £000	Total Funds 2018 £000
		General £000	Designated £000	£000		
Income from:						
Charitable activities	2	9,142	-	9	9,151	8,669
Donations	3	1,094	-	2,781	3,875	4,012
Other income	4	68	-	-	68	39
Total income		10,304	-	2,790	13,094	12,720
Expenditure on:						
Raising funds						
Development and fundraising		317	-	-	317	284
		317	-	-	317	284
Charitable activities						
Teaching		3,370	-	199	3,569	2,957
Pastoral and welfare		1,914	-	262	2,176	2,217
Outreach and partnership		1,079	10	522	1,611	1,455
Premises		2,057	1,059	536	3,652	3,247
Support and governance	7,8	1,466	-	-	1,466	1,639
Grants and prizes	9	-	-	963	963	875
		9,886	1,069	2,482	13,437	12,390
Total expenditure	6	10,203	1,069	2,482	13,754	12,674
Net income / (expenditure)		101	(1,069)	308	(660)	46
Transfers between funds	16,17	85	-	(85)	-	-
Other recognised losses						
Actuarial (losses)/gain on defined benefit pension scheme	24g	(725)	-	-	(725)	494
Net movement in funds		(539)	(1,069)	223	(1,385)	540
Total funds brought forward		3,390	38,393	2,430	44,213	43,673
Total funds carried forward	16,17	2,851	37,324	2,653	42,828	44,213

All transactions are derived from the charity's continuing operations.
All recognised gains and losses are included in the Statement of Financial Activities

The notes on page 21 to 44 form part of these financial statements.

ROYAL BALLET SCHOOL

BALANCE SHEET


As at 31 August 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	11	39,477	40,400
Current assets			
Debtors	12	2,474	2,441
Cash at bank and in hand		5,062	5,474
Total current assets		7,536	7,915
Creditors: amounts falling due within one year			
Trade and other creditors	13	(982)	(567)
Deferred income	14	(1,581)	(2,603)
Net current assets		4,973	4,745
Total assets less current liabilities		44,450	45,145
Creditors: Amounts falling due after one year	15	(311)	(341)
Defined benefit pension scheme liability	24	(1,311)	(591)
Total net assets	18	42,828	44,213
The funds of the charity:			
Unrestricted funds			
General fund		2,851	3,390
Designated funds		37,324	38,393
Total Unrestricted funds	16	40,175	41,783
Restricted funds	17	2,653	2,430
Total charity funds		42,828	44,213

The financial statements on pages 21 to 44 were approved by the Board of Governors and authorised for issue on 17 July 2020 and are signed on its behalf by:



Tom Clementi
Governor



Kenneth Steele
Governor

ROYAL BALLET SCHOOL
STATEMENT OF CASH FLOWS
For the year ended 31 August 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities:			
Net cash (used in)/provided by operating activities	A below	(121)	652
Cash flows from investing activities:			
Interest receivable		29	12
Interest payable		(21)	(24)
Proceeds from sale of fixed assets		3	-
Purchase of tangible fixed assets		(272)	(201)
Net cash used in investing activities		(261)	(213)
Cash flows from financing activities			
Repayments of borrowing		(30)	(30)
Change in cash in the reporting period		(412)	409
Cash at the beginning of the year		5,474	5,065
Cash at the end of the year	B below	5,062	5,474
Reconciliation of cash flows from operating activities:	Note A	2019 £000	2018 £000
Net income, from the statement of financial activities		(660)	46
Adjustments for:			
Depreciation charge		1,195	1,200
Defined pension scheme net income		(5)	(13)
Interest receivable		(29)	(12)
Interest payable		21	24
Proceeds from the sale of fixed assets		(3)	-
(Increase) / decrease in debtors		(33)	(1,367)
Increase / (decrease) in creditors		(607)	774
Net cash (used in)/provided by operating activities		(121)	652
Analysis of cash	Note B	2019 £000	2018 £000
Cash at bank and in hand		5,062	5,474

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

1a Basis of accounting and going concern

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

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The accounts are drawn up on the historical cost basis of accounting.

The Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. The financial statements have been prepared under the going concern concept, on the understanding that the School will continue to receive sufficient financial support to enable it to meet its liabilities as and when they fall due for payment.

At the time of approval of the Annual Report, the COVID-19 pandemic continues to evolve and the long-term impact on the charity, in common with other businesses, is unknown. Note 25 of the financial statements explains the current actions taken by the charity in response to this crisis. The Governors have reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the pupils as well as employment of staff. There are currently significant cash balances should additional liquidity be required through this period of uncertainty. Accordingly, the Governors believe the School's financial resources are sufficient to ensure the School will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on the going concern basis.

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 31 March 1955 (company number: 547018) and registered as a charity on 12 November 1962 (charity number: 214364).

1b Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in this section, Governors are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities – The charity recognises its liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 24.

1c Income

Income consists of school fees and expenses due and receivable, income from performances and

Royal Ballet School

Notes to the financial statements

year ended 31 August 2019

auditions, grants receivable from the Department for Education and other bodies, donations, investment income and other income. This income is recorded in the Statement of Financial Activities when it becomes due to the School.

1d Expenditure

Expenditure is recognised in the period in which the cost is incurred. Costs directly relating to a School activity are allocated to that activity. Support costs comprise salaries and overheads of central functions of management and administration.

Governance costs are those costs incurred in compliance with regulation and good practice and include costs relating to the statutory audit, Governors' meetings and other constitutional and statutory requirements.

1e Grant making policy

The Governors may, from time to time make grants to the Royal Ballet School Endowment Fund on the basis that they are in the interests of the School. The grant funds will be combined with the funds of the Royal Ballet School Endowment Fund to maximise investment returns whilst protecting capital. Grants to the Royal Ballet School Endowment Fund are restricted for specific purposes and subject to a schedule of conditions.

1f Operating leases

Rental payments under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable are an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

1g Taxation

Gift aid recovered on voluntary income is included with the donation to which it relates and irrecoverable VAT is included with the item of expenditure to which it relates.

1h Tangible fixed assets and depreciation

All tangible fixed assets are stated in the balance sheet at cost less depreciation. The depreciation of assets is provided in equal annual instalments over the estimated useful lives of the assets.

1i Long leasehold property

The original cost of the White Lodge long leasehold property was fully amortised in the period 1955 to 1976, although the lease was not due to expire until 2014. Subsequent major works and additions to the leasehold property were capitalised and amortised over the unexpired period of the lease, or evenly over the expected useful lives of the major works and additions as appropriate. In November 2005 the School surrendered its existing lease and entered into an agreement to lease the land and buildings for a further 100 years. A major redevelopment was undertaken in three phases from 2005 and completed in February 2009. Relevant leasehold costs are depreciated over the term of the lease. Building costs are depreciated over 40 years.

The Floral Street leasehold property is depreciated over the term of the 150 years commencing in 2002, except for building costs which are depreciated over 40 years. Up to 2009 the buildings had been depreciated over 25 years, but the policy was then reviewed and changed. The net book value at 31 August 2008 is now being depreciated over the remainder of the 40 year term.

Jebsen House property is depreciated over the lease term of 20 years.

1j Freehold property

The Aud Jebsen Hall student accommodation is freehold property and is being depreciated over 50 years from Easter 2016 when it was completed. Finance costs on loans taken out for the purchase of the property have been capitalised during the period when the property was being refurbished.

Royal Ballet School

Notes to the financial statements

year ended 31 August 2019

1k Furniture, fixtures and equipment

Assets with a cost of more than £1,000 are capitalised and these are depreciated over their expected useful lives as follows:

Furniture, fixtures and equipment	5 -10 years
Computer equipment	3 years
Motor vehicles	4 years

1l Liabilities

Liabilities are recognised at the point that there exists an obligation to make payment or transfer assets and the value of that obligation can be measured with a reasonable degree of accuracy.

1m Foreign currency

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

1n Pension schemes

Employees of the School are entitled to join the group personal pension scheme and employer contributions are charged to expenditure in the accounting period in which they are payable.

Teachers are entitled to join the Teachers' Pension Scheme which is an unfunded multi-employer defined benefits pension scheme. Contributions are charged to expenditure in the accounting period in which they are payable as if the scheme were a defined contribution scheme, as the School does not have sufficient information to account as a defined benefit scheme.

The School operated a defined benefit scheme, The Royal Ballet School Pension and Life Assurance Plan, which was closed to new entrants during 2002 and for future accrual on 31 August 2012. The assets and liabilities of the Scheme are reported in these financial statements as required by FRS 102. The Statement of financial activities includes the expected return on scheme assets in investment income, the interest cost in other finance costs, and the actuarial gains and losses arising from the annual valuation. The pension liability is recognised in the balance sheet as the School has a legal obligation to settle the liability over the long term.

See note 24 for more detail of the pension schemes.

1o Fund accounting

Unrestricted funds comprise of the accumulated unrestricted surplus or deficit each year. They are available for use at the discretion of Governors in furtherance of the general charitable objectives. The general pensions reserve represents the deficit in the defined benefit pension scheme (see note 24).

Unrestricted designated funds are amounts that have been put aside at the discretion of the Governors. At the year-end they comprised of a Fixed asset fund, a Building maintenance fund and an Associate Programme fund. The Fixed asset fund represents the extent to which donated funds are invested in fixed assets for use by the School and therefore are not available for other purposes. The Building maintenance fund represents funds put aside to maintain buildings, especially White Lodge. The Associate Programme fund represents a legacy with a stated preference for the funds to be spent on the Associates Programme.

Restricted funds are funds subject to specific restricted conditions imposed by the donors.

Details of unrestricted funds are shown in note 16 and restricted funds in note 17.

Royal Ballet School
Notes to the financial statements
year ended 31 August 2019

1p Financial instruments

The School 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 amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade debtors, accrued income and all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

Royal Ballet School
Notes to the financial statements
year ended 31 August 2019

2	Charitable activities income	2019	2018
		£000	£000
	School fees – note 2a	7,054	6,716
	Extras and performance income	192	292
	Fees from Associates, Summer School and Teachers' courses	1,705	1,550
	Auditions and other income	200	111
		<u>9,151</u>	<u>8,669</u>
2a.	School Fees		
	School fees were funded from:		
	Grants from the Department for Education	3,915	3,963
	Bursaries from The Royal Ballet School Endowment Fund	145	174
	Bursaries from restricted donations	852	653
	Parents	2,142	1,926
		<u>7,054</u>	<u>6,716</u>
3	Donations	2019	2018
		£000	£000
	Grants	1,131	1,131
	Donations	2,729	2,861
	Friends	15	20
		<u>3,875</u>	<u>4,012</u>
4	Other Income	2019	2018
		£000	£000
	Investment income – bank interest	29	12
	Other income	39	27
		<u>68</u>	<u>39</u>

Royal Ballet School
Notes to the financial statements
year ended 31 August 2019

5 Trading subsidiary

The Charity has one wholly owned subsidiary, TRBSE Enterprises Limited, whose registered address is 46 Floral Street, London WC2E 9DA. The activities of TRBS Enterprises Limited are immaterial to those of the Group so consolidated accounts have not been prepared. Due to the presentation of the School's accounts in round thousands, the subsidiary shares of £100 held, are not shown as an investment in these financial statements. The company's trading results are the year, extracted from its audited financial statements were:

	2019 £000	2018 £000
Turnover	3	15
Cost of sales	-	-
Gross profit	3	15
Administrative expenses: Licence to occupy premises	(1)	(1)
Other expenses	(11)	(21)
Loss / profit on ordinary activities before gift aid	(9)	(7)
Loss / profit on ordinary activities before taxation	(9)	(7)
Tax on profit on ordinary activities	-	-
Loss / profit for the year	(9)	(7)
Net assets	6	15

6 Expenditure analysis

	Staff costs £000	Depreciation £000	Other Costs £000	Total 2019 £000	Total 2018 £000
Raising Funds					
Development and Fund raising	210	-	107	317	284
Charitable activities					
Teaching	2,908	-	661	3,569	2,957
Pastoral and Welfare	730	-	1,446	2,176	2,217
Outreach & Partnership	1,081	-	530	1,611	1,455
Premises	462	1,195	1,995	3,652	3,247
Support and Governance	598	-	868	1,466	1,639
Grants and Prizes	-	-	963	963	875
	5,779	1,195	6,463	13,437	12,390
Total Expenditure	5,989	1,195	6,570	13,754	12,674

Royal Ballet School
Notes to the financial statements
year ended 31 August 2019

7	Governance costs	Total	Total
		2019	2018
		£000	£000
	Governance costs included in support costs:		
	Fees payable to the auditor for the statutory audit	30	30
	Under accrual for prior year fees relating to the statutory audit	12	-
	Fees payable to the auditor for tax advice	-	-
	Board and committee costs	23	-
	Total	65	30
8	Finance and lease costs	Total	Total
		2019	2018
		£000	£000
	Bank interest payable	21	24
	Interest on pension plan	16	26
	Operating leases: land and buildings	163	163
	Operating leases: pianos and office equipment	21	21
9	Grants and prizes expenditure	Total	Total
	Grants are for student sponsorship and bursaries for full-time students, Associates and Intensive Course participants. Apart from a few scholarships for full-time students, all grants are means-tested.	2019	2018
		£000	£000
	Other grants	955	867
	Prizes	8	8
	Total	963	875

Royal Ballet School
Notes to the financial statements
year ended 31 August 2019

10 Staff costs	2019	2018
	£000	£000
Wages and salaries	5,052	4,702
Social security costs	468	451
Other pension costs	447	417
Other costs	22	22
Payroll sub total	5,989	5,595
Contracted out staffing services	30	5
	6,019	5,599

No School Governors received any remuneration, expenses or any other benefits from the School or any connected body.

Total employee benefits including employer pension contributions and national insurance of the Senior Leadership Team were £704,194 (2018: £724,574).

The School made aggregate termination payments of £52,252 (2018: £3,964) with none outstanding at the year end.

	2019	2018
	Number	Number
The number of higher paid employees in bands of:		
£60,001 to £70,000	5	1
£70,001 to £80,000	-	1
£80,001 to £90,000	1	1
£90,001 to £100,000	-	1
£100,001 to £110,000	1	-
	7	4

The average headcount of the School's employees for the year 2019 was 230 (2018: 224).

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11	Tangible Fixed Assets	Long leasehold property				Freehold property				Furniture, fixtures and equipment				Motor vehicles	Total
		Floral Street £000	White Lodge £000	Jebsen House £000	Aud Jebsen Hall £000	Floral Street £000	White Lodge £000	Jebsen House £000	Aud Jebsen Hall £000	Floral Street £000	White Lodge £000	Jebsen House £000	Aud Jebsen Hall £000	£000	£000
	Cost or valuation														
	1 September 2018	15,103	22,745	787	14,806	1,125	1,603	49	99	59					56,376
	Additions	-	73	-	55	23	30	-	35	56					272
	Disposals	-	-	-	-	-	-	-	-	(39)					(39)
	31 August 2019	15,103	22,818	787	14,861	1,148	1,633	49	134	76					56,609
	Depreciation														
	1 September 2018	4,943	7,113	375	888	1,030	1,477	49	42	59					15,976
	Charged in the year	255	471	39	300	48	49	-	20	13					1,195
	Disposals	-	-	-	-	-	-	-	-	(39)					(39)
	31 August 2019	5,198	7,584	414	1,188	1,078	1,526	49	62	33					17,132
	Net book value														
	31 August 2019	9,905	15,234	373	13,673	70	107	-	72	43					39,477
	31 August 2018	10,160	15,632	412	13,918	95	126	-	57	-					40,400

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12 Debtors	2019	2018
	£000	£000
Amounts falling due within one year:		
Fees and recoverable extras	317	966
Intercompany	71	56
Connected charity (see Note 22)	902	633
Other debtors	14	118
Prepayments	142	376
Accrued Income	582	292
Department for Education – Music and Dance Scheme funding	446	-
Total	2,474	2,441

Debtors for fees include £70,000 (2018: £683,000) for fees invoiced in August for the following academic year, due before the start of the Autumn Term.

13 Creditors: amounts falling due within one year	2019	2018
	£000	£000
Trade creditors	377	216
Taxation and social security	135	116
Other creditors	65	107
Accruals	375	98
Bank Loan due within one year	30	30
Total	982	567

14 Deferred income	2019	2018
	£000	£000
Fees in advance	81	1,103
Department of Education paid in advance	1,500	1,500
Total	1,581	2,603

In 2018, students fees were charged prior to the start of the new academic year and deferred. For the academic year 2018-19 student fees were invoiced at the start of September. This will continue for future years.

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15 Creditors: amounts falling due after one year	2019 £000	2018 £000
Creditors due in 2 to 5 years		
Bank loans	121	121
Creditors due in 5 years		
Bank loans	190	220
Total	311	341

Bank loans at 31 August 2019 include a fixed rate loan of £341,000 (2018: £371,00) repayable by November 2030, with £30,000 due within one year, and an interest rate is 6.01% per annum. This loan is secured by charge over the White Lodge property.

16 Unrestricted funds	Balance as at 1 Sep 18 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (Losses) £000	Balance as at 31 Aug 19 £000
Designated						
Fixed asset fund	37,506	-	(1,059)	-	-	36,447
Building Maintenance fund	500	-	-	-	-	500
Associate Programme	387	-	(10)	-	-	377
	<u>38,393</u>	<u>-</u>	<u>(1,069)</u>	<u>-</u>	<u>-</u>	<u>37,324</u>
General						
Pension reserve	(591)	-	(31)	36	(725)	(1,311)
Free reserve	3,981	10,304	(10,172)	49	-	4,162
	<u>3,390</u>	<u>10,304</u>	<u>(10,203)</u>	<u>85</u>	<u>(725)</u>	<u>2,851</u>
Total	<u>41,783</u>	<u>10,304</u>	<u>(11,272)</u>	<u>85</u>	<u>(725)</u>	<u>40,175</u>

Royal Ballet School
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Unrestricted funds 2017-18	Balance as at 1 Sep 17 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (Losses) £000	Balance as at 31 Aug 18 £000
Designated						
Fixed asset fund	38,561	0	0	(1,055)	0	37,506
Building Maintenance fund	500	0	0	0	0	500
Associate Programme	389	0	(2)	0	0	387
	<u>39,061</u>	<u>0</u>	<u>(2)</u>	<u>(1,055)</u>	<u>0</u>	<u>38,393</u>
General						
Pension reserve	(1,098)		(26)	39	494	(591)
Free reserve	3,513	10,011	(10,584)	1,055	(13)	3,981
	<u>2,415</u>	<u>10,011</u>	<u>(10,610)</u>	<u>1,094</u>	<u>481</u>	<u>3,390</u>
Total	<u>41,476</u>	<u>10,011</u>	<u>(10,613)</u>	<u>39</u>	<u>481</u>	<u>41,783</u>

Unrestricted funds are available for use at the discretion of the Governors in furtherance of the general objectives of the charity. Certain unrestricted funds are designated for other purposes. The unrestricted funds are as follows:

Designated fixed asset fund

This fund represents amounts expended on tangible fixed assets required for the operation of the School.

Designated building maintenance fund

This fund represents amounts designated and set aside by Governors to fund the ongoing repairs and restoration of White Lodge. In the last two years, the School has undertaken a programme of repair to White Lodge. Phase One and Two have been funded by donation but further works are estimated to be in excess of £1,000,000. It is unlikely that the School will be able to raise the full funding required. The remaining works are expected to complete in 2022, subject to funding.

Designated Associate programme fund

This fund represents amounts designated and set aside by Governors to support the Associate Programme. The funds were received through a legacy where the legator expressed a preference for her donation to support the Associate Programme.

General reserves

The negative pension reserve represents the School's liabilities in respect of The Royal Ballet School Pension and Life Assurance Plan which is a defined benefit scheme that is now closed to new members (see note 24).

The free reserves represent the balance of unrestricted funds which have not been designated and are available for use at the discretion of the Governors in furtherance of the general charitable activities. This is before deducting the pension reserve, as the pension deficit is a long-term liability.

Transfers

- A transfer of £85,000 from the Restricted Equipment Fund to the General Fund representing the depreciation charge on fixed assets, omitted from prior years.

Royal Ballet School
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- ii. A transfer of £36,000 from the General Fund to the Pensions Reserve representing the pension payments made into the scheme.

17	Restricted funds	Balance as at 1 Sep 18 £000	Income £000	Expenditure £000	Transfers £000	Balance as at 31 Aug 19 £000
	White Lodge Appeal Fund	208	244	(452)	-	-
	Aud Jebsen Hall- Pimlico Appeal	50	50	(51)	-	49
	Capital projects	-	-	31	-	31
	Special projects	-	65	(54)	-	11
	Sponsorship, bursaries and prizes	768	977	(988)	-	757
	Outreach and Access fund	151	431	(405)	-	177
	Ballet and artistic funds	316	354	(211)	-	459
	Healthcare	692	439	(250)	(30)	851
	Equipment	227	5	(22)	(55)	155
	Intensive Courses	18	200	(78)	-	140
	WiFi Cabling	-	25	(2)	-	23
		2,430	2,790	(2,482)	(85)	2,653

Restricted funds 2017-18	Balance as at 1 Sep 17 £000	Income £000	Expenditure £000	Transfers £000	Balance as at 31 Aug 18 £000
White Lodge Appeal Fund	5	476	(273)	-	208
Aud Jebsen Hall- Pimlico Appeal	50	-	-	-	50
Sponsorship, bursaries and prizes	714	893	(839)	-	768
Outreach and Access fund	104	446	(399)	-	151
Ballet and artistic funds	307	67	(58)	-	316
Healthcare	465	509	(282)	-	692
Equipment	163	73	(9)	-	227
Intensive Courses	-	225	(207)	-	18
Films	-	20	(20)	-	-
	1,808	2,709	(2,087)	-	2,430

Restricted funds are used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. A significant proportion of donations are received in the current in advance of expenditure in the following year.

White Lodge Appeal fund

The balance on this fund represents gifts and donations generated by fundraising appeals to acquire a new 100 year lease at White Lodge and to redevelop the land and buildings at White Lodge.

Sponsorship, bursaries and prizes

This fund includes donations for financial support for full-time students, Associates and Summer School

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students and some prizes. All support is means-tested apart from a small number of scholarships. The School awards places based only on talent, so this support is particularly crucial to help fund overseas students, which raises the standard for all students and allows the School to maintain its place as one of the best classical ballet schools in the world.

Outreach and Access

This fund represents grants from the Department for Education, Trusts and Foundations and other donors to further the aims and objectives of the School's Outreach and Access programme.

Ballet and artistic funds

These donations are restricted for performances and new ballets, graduate tours, choreography and the Creative Artist Programme, which all help add breadth and depth to student training. The Creative Artist Programme was introduced to broaden the students' artistic experience by exposing them to a broad range of experts who have excelled in their field, both in artistic and in other areas.

Healthcare

This donation is to help the School improve its healthcare provision for three years, through the Healthy Dancer programme.

Equipment

Donations have been received to fund the updating of the technical equipment in the Margot Fonteyn Theatre at White Lodge, and Smart screens for classrooms to allow academic teaching across the two School sites.

Intensive Courses

This fund is to support the expansion of the intensive course programme into Hong Kong and provide financial assistance to students from Hong Kong who may otherwise be unable to pay for the course.

WiFi Cabling

This fund represents support received from the Royal Ballet School PTA to upgrade the WiFi provision at White Lodge. The annual depreciation charge will be made against this fund until it is fully expensed.

18 Allocation of assets by fund type

	Unrestricted General Fund £000	Unrestricted Designated Funds £000	Restricted Funds £000	Total 2018 £000
Fixed Assets	2,964	36,447	66	39,477
Debtors	2,474	-	-	2,474
Cash at Bank	1,598	877	2,587	5,062
Creditors: due within one year	(2,563)	-	-	(2,563)
Creditors: due after one year	(311)	-	-	(311)
Defined benefit pension scheme deficit	(1,311)	-	-	(1,311)
	<u>2,851</u>	<u>37,324</u>	<u>2,653</u>	<u>42,828</u>

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Allocation of assets by fund type 2017-18	Unrestricted General Fund £000	Unrestricted Designated Funds £000	Restricted Funds £000	Total 2018 £000
Fixed Assets	2,809	37,506	85	40,400
Debtors	2,441	-	-	2,441
Cash at Bank	1,871	887	2,716	5,474
Creditors: due within one year	(3,140)	-	(30)	(3,170)
Creditors: due after one year	-	-	(341)	(341)
Defined benefit pension scheme deficit	(591)	-	-	(591)
	<u>3,390</u>	<u>38,393</u>	<u>2,430</u>	<u>44,213</u>

19 Liability of members

The Charitable company is limited by guarantee and does not have a share capital. In the event of the Company being wound up, the maximum amount which each member is liable to contribute is £1. There were 17 (2018:19) members at the year end who are the Governors of the School.

20 Capital commitments

There were no capital commitments at the end of the reporting period (2018: £Nil).

21 Commitments under operating leases

	2019 £000	2018 £000
The total of future minimum lease payments under operating leases for each of the following periods:		
Not later than one year	189	189
Later than one year and not later than five years	657	683
Later than five years	734	895
	<u>1,580</u>	<u>1,767</u>

22 Related party transactions

TRBS Enterprises Limited

The subsidiary charity trades by hiring out School premises at times when they are not required by the School. During the year the following transactions were made with the School:

The School recharged £12,050 (2018: £16,003) of costs for staff time and other costs directly related to the activities of the subsidiary. The School charged licence fees of £1,000 (2018: £1,000) to the subsidiary.

At the end of the year the School was owed £70,602 by the subsidiary, see note 12, (2018: £56,157).

The Royal Ballet School Endowment Fund

The connected charity, the Royal Ballet School Endowment Fund provides funding and facilities for the students of The Royal Ballet School. During the year the following transactions were made with the School:

The School received grants of £262,926 (2018: £126,773) from the Endowment Fund. The grants paid for

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bursaries for students for School fees, prizes, a teacher exchange programme with the Danish National Ballet School and a grant for repairs to White Lodge.

The School does not charge the Endowment Fund for staff time for administering the charity.

At the end of the year the School was owed £901,568 by the Endowment Fund (2018: £633,000).

Governors of The Royal Ballet School

Governors did not receive any payment or expenses from the School as disclosed in note 10. The total amount of donations received from Governors in the year was £224,500 (2018: £352,250). None of the Governors' donations were given with conditions that required the charity to alter the nature of its existing activities.

Employees of The Royal Ballet School

During the year the School engaged the wife of the Artistic Director to deliver contemporary dance classes. A fee of £400 was paid.

23 Taxation

As a registered charity, The Royal Ballet School is potentially exempt from taxation of income and gains falling within sections 466 to 493 of the Corporation Tax Act 2010 and section 521 to 536 of the Income Tax Act 2007.

24 Pension commitments

The School operates a group personal pension scheme, a defined benefit scheme with the Teachers' Pension Scheme and also a defined benefit scheme which was closed to future accrual on 31 August 2012, known as The Royal Ballet School Pension and Life Assurance Plan.

Group personal pension scheme

Contributions for the group personal pension scheme are charged to expenditure in the accounting period in which they are payable. Pension charges for the year were £276,878 (2018: £199,934).

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £141,140 (2018: £150,940) and at the year-end £nil (2018 - £nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage

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fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The Royal Ballet School Pension and Life Assurance Plan (the "Plan")

This defined benefit pension scheme provides benefits based on pensionable pay up to 31 August 2012 when the Scheme ceased accrual. The assets of the Plan are held separately from those of the School, being invested with Clerical Medical and General Life Assurance Society in their Pension Contract.

Contributions and triennial valuations

The contributions are recommended by an independent qualified actuary from Clerical Medical on the basis of triennial valuations carried out by the actuary on behalf of the Trustees of the Plan.

The most recent triennial valuation was as at 1 September 2016 and this showed that the Plan's assets were sufficient to cover the liabilities on the funding basis. The market value of the Plan's assets was £2,986,000 and that the benefits accrued to members were £3,316,000, giving a funding deficit of £330,000 and a funding level of 90%. The actuarial assumptions underlying this valuation are different to those adopted under FRS 102 included in these financial statements.

The Trustees have agreed with the School that contributions will continue at £36,000 per annum to improve the funding level in the Plan to address the deficit. The expected recovery end date is November 2025.

The funding position of the Plan and contributions to be paid will be reviewed again at the next triennial valuation due as at 1 September 2019, which will be completed during the 2019/20 financial year.

Valuation for these financial statements under FRS 102

The Plan was valued at the end of the reporting period by a qualified Independent Actuary in accordance with Financial Reporting Standard 102, and the following notes 24a to 24i relate to this valuation. This valuation has different actuarial assumptions to the triennial valuation.

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24a The principal actuarial assumptions at the end of the reporting period (expressed as weighted averages):

	2019 £000	2018 £000
Discount rate	1.80%	2.70%
RPI assumption	3.40%	3.30%
CPI assumption	2.60%	2.50%
LPI pension increases	3.30%	3.20%

The underlying mortality assumption is based upon the standard table known as PNA00 projected on a year of birth basis using the 2014 CMI mortality projection model subject to a long-term annual rate of future improvement of 1.25% per annum (2016: same). This results in the following life expectancies:

	Years	Years
Life expectancy for 60 year old female	89.0	89.5
Life expectancy for 45 year old female	90.2	90.7

24b The amounts recognised in the balance sheet:

	2019 £000	2018 £000
Present value of Plan liabilities	(3,713)	(3,498)
Market value of Plan assets	2,402	2,907
Net defined benefit liability	<u>(1,311)</u>	<u>(591)</u>

24c Amounts included within the Statement of Financial Activities (SOFA):

	2019 £000	2018 £000
Current service cost	-	-
Interest on net defined benefit asset	(16)	(26)
Past service cost	(15)	-
Total amount charged within net incoming resources	<u>(31)</u>	<u>(26)</u>

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24d Changes in the present value of Plan liabilities:

	2019 £000	2018 £000
Present value of scheme liabilities at beginning of the year	(3,498)	(3,870)
Past service cost	(15)	-
Benefits paid	497	-
Interest on Plan liabilities	(88)	(93)
Actuarial loss	(609)	465
Present value of Plan liabilities at end of the year	<u>(3,713)</u>	<u>(3,498)</u>

24e Changes in the fair value of Plan assets:

	2019 £000	2018 £000
Market value of Plan assets at beginning of the reporting period	2,907	2,772
Employer contributions	36	39
Benefits paid	(497)	0
Interest on Plan assets	72	67
Return on assets, less interest included in the SOFA	(116)	29
Market value of the Plan assets at the end of the reporting period	<u>2,402</u>	<u>2,907</u>
Actual return on Plan assets	<u>(44)</u>	<u>96</u>

24f The major categories of Plan assets as a percentage of total Plan assets:

	2019	2018
Group pension contract	100%	100%
Cash	0%	0%

The Plan had no investments in property occupied by, assets used by or financial instruments issued by the School.

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24g	Analysis of the measurement of the net defined benefit liability recognised in Other recognised losses in the SOFA:		
		2019	2018
		£000	£000
	Actual return less expected return on Plan assets	(116)	29
	Experience gains and losses arising on Plan liabilities	43	82
	Changes in assumptions underlying the present value of Plan liabilities	(652)	383
		<hr/>	<hr/>
	Actuarial loss recognised in Other recognised losses	(725)	494
		<hr/>	<hr/>
24h	Movement in deficit during the year		
		2019	2018
		£000	£000
	Deficit in the scheme at the beginning of the year	(591)	(1,098)
	Interest recognised in the SOFA	(31)	(26)
	Employer contributions	36	39
	Actuarial loss recognised in Other recognised losses in the SOFA	(725)	494
		<hr/>	<hr/>
	Deficit in the scheme at the end of the year	(1,311)	(591)
		<hr/>	<hr/>

25 Post balance sheet event

On 11 March 2020 the World Health Organisation declared COVID-19 a global pandemic, the School is closely following the advice of the UK Government on a day-by-day basis to ensure the safety and wellbeing of the whole School community. On 20 March 2020, the School closed and students returned home. All staff started to work remotely.

During the Summer Term, academic and artistic lessons are being delivered remotely. The timetable has been adapted in response to feedback from students and parents and classes are well received. Student engagement is high. The Governors meet every two weeks to address the emerging issues and the School's response and develop action plans to continue operations.

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26 Statement of financial activities – comparative figures for the prior period by fund

		Unrestricted Funds		Restricted Funds	Total Funds
	Note	General £000	Designated £000	£000	2018 £000
Income from:					
Charitable activities	2	8,669	-	-	8,669
Donations	3	1,303	-	2,709	4,012
Other income	4	39	-	-	39
Total income		10,011	-	2,709	12,720
Expenditure on:					
Raising funds					
Development and fundraising		261	-	23	284
		261	-	23	284
Charitable activities					
Teaching		2,899	-	58	2,957
Pastoral and welfare		1,935	-	282	2,217
Outreach and partnership		849	-	606	1,455
Premises		2,968	-	279	3,247
Support and governance	7,8	1,637	2	-	1,639
Grants and prizes	9	36	-	839	875
		10,324	2	2,064	12,390
Total expenditure	6	10,585	2	2,087	12,674
Net income / (expenditure)		(574)	(2)	622	46
Transfers between funds	16,17	1,055	(1,055)	-	-
Other recognised losses					
Actuarial losses on defined benefit pension scheme	24g	494	-	-	494
Net movement in funds		975	(1,057)	622	540
Total funds brought forward		2,415	39,450	1,808	43,673
Total funds carried forward	16,17	3,390	38,393	2,430	44,213

All transactions are derived from the charity's continuing operations.
All recognised gains and losses are included in the Statement of Financial Activities