

Conservatoire for Dance and Drama

Financial Statements

31 July 2011

The Conservatoire for Dance and Drama
Tavistock House
Tavistock Square
London
WC1H 9JJ

Company number: 4170092
Charity number: 1095623

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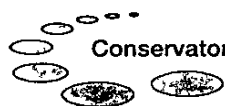


Conservatoire for Dance and Drama

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Copies of these financial statements can be obtained from the registered office overleaf and are available in large print and other formats on request.



Conservatoire for Dance and Drama

Company Information

Governors
(These are all company directors, charity trustees and members of the company)

James Smith CBE (Chairman)
Prof Christopher Bannerman
Kim Brandstrup
Dr Virginia Brooke
Sharon Coleman
Richard Cooper
Christopher de Pury
Ryan Densham
Katherine Farr
Paul Holloway
Melanie Johnson

Nicholas Karelis
Sir Tim Lankester
Susannah Marsden
Richard Maxwell
Stephanie Post
Luke Rittner
Siân Rowlands
Anthony Smith
Andrew Summers
Kathleen Tattersall

Joint Principal
(also Governors and Directors)

Veronica Lewis MBE
(Accountable Officer)

Edward Kemp

Clerk to the Board of Governors and Company Secretary

John Myerscough

Registered Address

Tavistock House
Tavistock Square
London, WC1H 9JJ

Affiliates

founding	London Contemporary Dance School (LCDS)
from 1 August 2003	Royal Academy of Dramatic Art (RADA)
	Bristol Old Vic Theatre School (BOVTS)
from 1 August 2004	Northern School of Contemporary Dance (NSCD)
	Central School of Ballet (CSB)
	Circus Space (Circus)
from 1 August 2005	London Academy of Music and Dramatic Art (LAMDA)
	Rambert School of Ballet and Contemporary Dance (Rambert)

Administrative Director

Julie Crofts

Director of Finance

David Johnson

Internal Auditor

Colin Shearing

Bankers

Lloyds TSB Bank Plc
2nd Floor, 25 St George Street
London W1S 1FS

Solicitors

Farrer & Co LLP
66 Lincoln's Inn Fields
London WC2A 3LH

Beachcroft LLP
30 Eastcheap
London EC3M 1HD

Independent External Auditor

Deloitte LLP
3 Victoria Square
Victoria Street, St Albans AL1 3TF

Registered Company No

4170092 (a company limited by guarantee having no share capital)

Registered Charity No

1095623

Report of the Board of Governors

The Governors present their report and the audited Financial Statements for the year ending 31 July 2011. The Conservatoire for Dance and Drama is referred to as 'the Conservatoire' throughout these financial statements.

Joint Principals' review of the year

The 2010-11 academic year marked the tenth anniversary of the Conservatoire and offered an opportunity to reflect on the achievements of the last decade and the flourishing of an institution which both preserves and enhances the rich history of its affiliate schools. This has also been a year of significant change for both the higher education sector and the wider arts communities. As the Conservatoire moves into the next decade, it will be looking to build upon its reputation of excellence, in challenging financial circumstances, and to find new ways to collaborate and share resources. This will ensure that the next generation of performers and technicians continue to benefit from the exceptional standards of vocational training offered by its schools.

The Conservatoire marked its anniversary with a gala performance featuring dance, drama and circus pieces from all of the eight schools, produced by technical students from RADA and BOVTS (under the leadership of RADA Technical Director, Neil Fraser) and curated by RADA Associate Director Nona Sheppard. The evening was a huge success and an opportunity for Conservatoire students to meet one another. Across the academic year, the schools staged around 200 public performances.

The Conservatoire's anniversary coincided with LAMDA's 150th birthday. The Academy opened celebrations with a superb production of *Cabaret* at Wilton's Music Hall, and launched LAMDA at Large, which will see LAMDA students performing at venues across London whilst the Academy builds its new theatre and teaching block. BOVTS staged a season

of John Godber plays, turning the Tobacco Factory into a ski slope for a specially commissioned rewrite of *On The Piste*, whilst technical students produced a documentary about the season. RADA and Circus Space second-year students spent a week working on a collaborative project inspired by Oliver Sacks's memoir *Musophilia*. Circus Space third years performed once again outside the National Theatre as part of the 'Watch This Space' festival.

Celebrating its 25th anniversary this year, NSCD became a partner in *New Worlds – The Many Routes to Yorkshire*, part of the *imove* programme inspired by London 2012 and funded by Legacy Trust UK. The dance schools commissioned a range of new artistic works, a number of which were part-funded through the Higher Education Innovation Fund, and performed around the country as part of the schools' touring companies. Ballet Central, EDge, and Verve 11. Central School of Ballet had excellent exposure with three third-year students performing with Northern Ballet in their production of *Swan Lake*. Rambert School's student choreographers worked once again with Central St Martins designers on the 'Design for Dance' project.

Staff came together in the autumn for a seminar exploring practice-based research, hosted at BOVTS's Christchurch Studios. Building on its QAA-commended work to support disabled students, in October 2010 the Conservatoire launched guidelines to promote mental health and wellbeing for students, with a workshop for student representatives from all of the schools and an evening discussion panel. LCDS hosted the

Conservatoire's fourth staff conference, Collaborate, in January 2011. This was an exercise in experimentation as an Open Space format was used for the first time. Over a hundred staff from across the eight schools created the day's agenda together, provoking a rich tapestry of discussion topics from how to maintain standards of excellence in an uncertain economic climate, to the emotional journey of the student.

At the beginning of the spring term, the Conservatoire made a successful funding bid to the Leadership Foundation for Higher Education for an inter-affiliate mentoring programme for staff. The first training session for mentors ran in June 2011, and the first mentor-mentee sessions will commence in the autumn. The programme aims to provide support and leadership advice to staff as well as fostering new networks and the sharing of good practice.

This was a year of curriculum development and consultancy. Central School of Ballet began recruiting for its newly approved MA in Choreography, RADA launched a joint MA in Text and Performance with Birkbeck, University of London, and Circus Space has developed a new BTEC qualification in conjunction with Hackney Community College. The two-year BTEC Circus Arts course will be jointly delivered and aims to bridge the gap between younger performers and degree level training. RADA is adviser to, and an official associate of, The Lir Academy, a new Academy for the Dramatic Arts at Trinity College Dublin, whilst LAMDA continues to forge links with institutions in India.



The Conservatoire successfully bid for another four years of funding from the Higher Education Innovation Fund (HEIF 5) and was delighted to receive an increase in allocated funding. The fund will continue to support the Conservatoire schools' highly successful knowledge exchange activity, focused on the commissioning of new artistic work, business development and widening participation, as well as the continuation of the Joint Artistic Projects Fund which has supported collaborations both within the Conservatoire and with organisations outside of it.

Increasingly, the schools have been using audio-video technology to showcase their activities. BOVTS spent the summer filming at all three of the drama schools to create a film about technical theatre for the Conservatoire's website. The Conservatoire, Circus Space and RADA launched new websites this year with a greater capacity for video. All of the schools are engaging actively with social media platforms, both to communicate with current and prospective students, and as an outlet for business development activities.

Finally, this year saw some departures. Gurmit Hukam departed from his role as Principal of NSCD. We thank Gurmit for his contribution to the Conservatoire. The year also marked the end of Sir Bob Reid's tenure as Chairman of the Board. Sir Bob has steered the development of the Conservatoire since its creation. We thank him for his support and guidance over the past decade, and have launched a Scholarship Fund for students in his name. The Conservatoire is delighted to have secured James Smith CBE, until recently Chairman of Shell UK, as Sir Bob's successor.

Veronica Lewis MBE
Joint Principal and Accountable Officer

Edward Kemp
Joint Principal

Operating Review

Introduction

As noted by the Joint Principals above, the Conservatoire's tenth year was creatively, artistically and educationally a successful one. The purpose of this Operating and Financial Review is to provide more detailed context to those achievements and to reflect on the educational achievements of the institution over the past year.

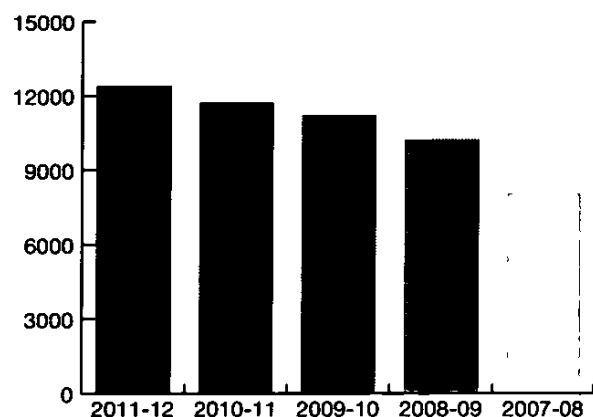
The Conservatoire is a registered charity, incorporated in 2001. Its charitable objects are 'the advancement of education in the performing arts and the promotion of research in the performing arts'. It is composed of eight affiliate schools. Students are registered jointly with the Conservatoire and the affiliate school. Teaching staff are employed by their home affiliate school.

During 2010, the Conservatoire completed a review of its governing documents and new Articles of Association were adopted by the company members in March 2011. This process ensures that the Conservatoire's governing documents remain fit for the purpose of the charity. A review of the Operating Agreement and Financial Memorandum between the Conservatoire and its affiliate schools was started during 2011 and will be completed by December 2011.

Student recruitment

The Conservatoire has throughout its lifetime seen a steady increase in the number of applications and each affiliate saw an increase on entry to the Conservatoire. At the point of affiliation, this can be attributed to the preferential package of financial support available to students. Since 2007, the increase can be attributed to a greater demand for the professional training and dance, drama and circus arts offered by the Conservatoire schools, and to the raised awareness of the financial support available to students seeking that training.

Chart A: Applications since 2007



These applications relate to around 335 undergraduate and 100 postgraduate places each year.

In 2006, the Conservatoire introduced a bursary scheme as part of its commitment to widening access in the face of increased student fees. This has provided data on the financial circumstances of its UK students embarking on higher education for the first time. Table B summarises the data on students' circumstances.

Table B: UK undergraduate bursary awards for students new to HE

Academic Year	2010-11	2009-10	2008-09	2007-08
Family income of £25,000 or less	222	222	185	110
Family income of £25,000 - £40,000	71	70	93	85
Total bursary recipients	293	292	278	195

As 2008-09 was the first year in which three years of students were entitled to apply for bursary awards, this is the point from which progress is measured and it shows a small, but steady increase in the number of bursaries awarded. Around 45% of UK undergraduates entering higher education for the first time receive a bursary and 32% receive a full bursary. From 2012, the Conservatoire will gradually phase out its existing bursary scheme in order to introduce a Conservatoire Scholarship Scheme.

Student achievement and employment

Tables C and D provide comparative information about student performance over the past four years. In 2010-11, 424 undergraduate awards were made, of which 411 were Foundation Degrees (FdA) or BA/BA (Hons) (Table C). The changing profile of undergraduate awards over the past four years reflects the increased use of FdAs, now extended to include technical theatre as well as dance and circus. The doubling of postgraduate awards from 2007-08 is a result of adjustments to programme levels, principally the move from some undergraduate programmes to postgraduate (especially from Graduate Certificates and Diplomas to PgC and MA). This was a response to the Government's policy of removing funding for students studying for an award at the same or a lower level.

Table C: Qualifications awarded

Qualifications awarded	2010-11	2009-10	2008-09	2007-08
Total undergraduate level qualifications awarded	424	389	426	460
Total undergraduate degrees awarded	411	366	338	265
Total postgraduate degrees awarded	105	81	71	50

Table D summarises awards by classification. There is an increase in the number of first class awards in 2010-11 which appears to take the Conservatoire out of line with other creative arts institutions. The average creative arts figure glosses variation within the sector, including at other conservatoires where the number of firsts is also above average. The Conservatoire's Academic Board reviews student performance in relation to comparators and also considers the opinion of external examiners. There is no evidence that the 2010-11 results are indicative of anything other than a high performing year. This is consistent with the extensive audition procedures and high standards expected of the Conservatoire.

Table D: Classification of first degree awards as a percentage*

Award	2010-11	2009-10	2008-09	2007-08	HESA Creative Arts 2009-10 average
First class	32%	17%	16%	18%	15%
2 1	55%	70%	68%	61%	51%
2 2	11%	10%	15%	19%	28%
Third class	2%	3%	1%	2%	6%

**To enable comparison with the creative arts sector, this excludes the unclassified honours and ordinary BA awards offered at BOVTS and RADA*

Student achievement in finding employment continues to support other evidence of the high calibre of Conservatoire graduates. The 2010-11 Conservatoire graduates found work with the following companies:

Dance graduates from 2010-11 are working with Ballet Black, Ballet Boyz, Ballet Cymru, Ballet Gratz, Ballet Ireland, Compañía Nacional de Danza de España, Cork City Ballet, The London Ballet Company, Disneyland Tokyo, Estonia National Ballet, Israeli Ballet, Matthew Bourne's *Nutcracker*, Matthew Bourne's *Swan Lake*, Michael Clark Dance Co., National Dance Company of Wales, Northern Ballet, Peter Schaufuss Ballet, Phoenix Dance Theatre, Scottish Ballet, Singapore Ballet, Vienna Festival Ballet.

Drama and circus graduates from 2010-11 are working with Almeida Theatre, Arcola Theatre, BBC Films, BBC Productions, BBC Radio Productions, Big Talk Productions, Bristol Old Vic, Bush Theatre, CIRCA Festival, Circus Space, Cloud Eight Films, Donmar Warehouse, Greenwich Playhouse, ITV, National Theatre, Noel Coward Theatre, Paramount Pictures, Royal Court Theatre, Royal Exchange Manchester, Royal Opera House, Royal Shakespeare Company, Salisbury Playhouse, Scott Free Productions, Shakespeare's Globe, The Old Laundry Theatre, The Old Vic, Theatre Royal Haymarket, West Yorkshire Playhouse, Will Young's *Jealousy*, Wyndham's Theatre.

Equality and diversity

The Conservatoire was pleased to launch its work supporting students with mental health difficulties as noted in the Joint Principals' report above. In addition, an important piece of work was an initial analysis of the Conservatoire's recruitment patterns. This provided some evidence that the Conservatoire's recruitment patterns broadly accord with the numbers of applicants in different groups, for example ethnicity and disability. The Conservatoire receives more applications from female students than from male, but it recruits a more balanced gender profile. This work highlighted the need for consistent equality data on applications and this will be collected from 2011-12.

National Student Survey

The National Student Survey was introduced in 2005-06 as a national measure of student satisfaction in higher education. It provides data from final-year students about specific aspects of their experience (for example, assessment and teaching), together with an overall measure of satisfaction, giving scores from 1 (low) to 5 (high). Table E shows the Conservatoire's performance in relation to the average performance of all higher education institutions, together with an overall measure of satisfaction, giving scores from 1 (low) to 5 (high).

Table E: NSS performance

	2011	2010	2009	2008	2007
Conservatoire	4.4	4.2	4.3	4.1	4.2
Sector	4.1	4.1	4.0	4.1	4.0

The Conservatoire had an extremely successful year in the National Student Survey, with students rating it 10th nationally (and one of two specialist arts institutions in the top ten). The Conservatoire's Academic Board considers analyses of this data, in conjunction with substantial qualitative student feedback gathered internally, at course and affiliate school level, and monitors data use in programme evaluation and action planning.

Public benefit reporting

The Conservatoire's mission is 'to advance the art forms of dance, drama and circus arts by preparing students for sustainable careers as artists and to be leaders in their art forms, to attract the most talented students, who are selected for training irrespective of background, and to sustain its affiliate schools' excellence and leadership in training and research'

As an educational institution and charity, the Conservatoire's principal beneficiaries are its students who are given the opportunity to receive an intensive, supportive and world-class education and training to be dance, drama and circus artists. By nature, the Conservatoire must select students on the basis of their talent, propensity for training and with the appropriate pre-vocational experience. In doing so, however, the training is open to all students who meet entry requirements and are offered a place to study regardless of personal, social, national or financial background.

Conservatoire training also includes public performances to around 100,000 people annually, many of which are free or subsidised. The wider community thus benefit from the artistic skills and experience of the young people in training.

The Conservatoire also lends a helping hand to young artists. Many of its schools offer short continuing development training and provide networks of support for these individuals throughout their careers. These activities enrich the cultural life of the UK.

The Conservatoire's activities which fulfil its charitable objects are as follows:

- **Teaching** the Conservatoire enrolls around 1,150 students on undergraduate and postgraduate programmes each year. The combined faculty (although individually employed by the affiliate schools) may include as many as 500 individuals from full-time staff members to individuals engaged in short projects. In this way, students are taught by permanent faculty members as well as visiting professionals working with the students for a single production or occasional workshop.

- **Knowledge exchange and research** Conservatoire staff share their knowledge across schools and more widely. This can provide useful sources of revenue for schools and it also places the schools and the Conservatoire at the heart of a creative community. Research into educational practice and performing arts is a developing facet of the Conservatoire's work.
- **Community engagement** the Conservatoire schools all work closely with their local communities and offer a range of activities. These range from weekly dance classes with local school children to 'elders' companies aimed at involving older people in the arts.
- **Maintaining access to vocational training** the Conservatoire and its schools spend over £2.5 million a year on providing preparatory training in the arts and improving access to professional education. This is both to ensure that young people have high quality experiences of dance, drama and circus arts and to create a pool of talent from which to draw the next generation of students and artists. The report above on equality and diversity activities summarises an important facet of the Conservatoire's work in this area during 2010-11.

The Joint Principals' Review of the Year on pages 6 - 7 highlights some of the ways in which these objects have been achieved during 2010-11.

The Conservatoire's trustees (known as its Governors) are aware of their responsibilities with regard to public benefit and are conversant with the Charity Commission's guidance in this area.

Financial Review

The Conservatoire achieved a surplus in the year of £74k (including the bursary funding) amounting to 0.5% of total income, compared to a deficit of £119k for 2009-10 (0.7%)

The Conservatoire does not aim to generate significant reserves, except to meet working capital needs and provide a prudent cushion, in line with guidelines set at between 3% to 5% of total income. Reserves are held as cash. Any funds not required to meet the Conservatoire's office and joint artistic costs, or to provide reserves, are used in developing the education provision of its affiliates and related support functions. The Conservatoire has devoted significant resources to planning for the change in funding method from publicly funded grant to tuition fees which will be implemented over the three years commencing 2012-13.

Table F below provides an overview of the Conservatoire's reserves and financial position

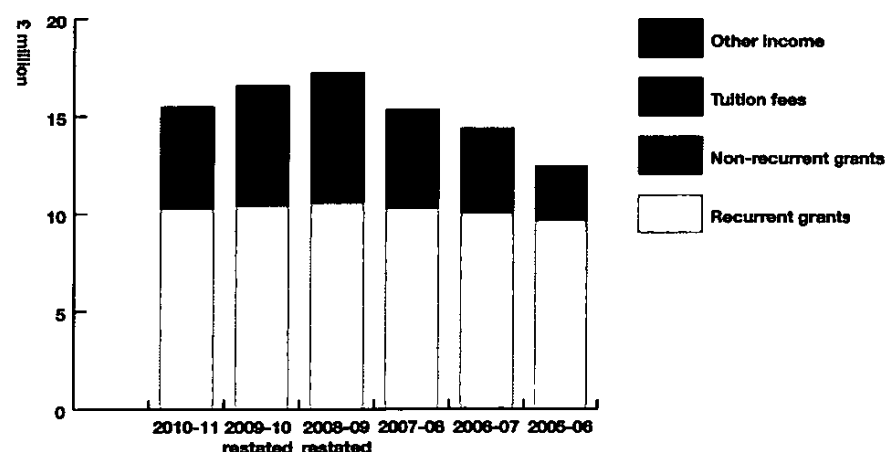
	2010-11	2009-10	2008-09	2007-08
Reserves	£669k	£595k	£714k	£608k
As % of expenditure	4.3%	3.6%	4.4%	4.3%
As % of income	4.3%	3.6%	4.4%	4.2%
In days	16 days	13 days	16 days	15 days
Current ratio	2.1.1	1.9.1	2.3.1	2.3.1
External borrowing	nil	nil	nil	nil

Although the Conservatoire operates in the public sector, the schools themselves are not wholly reliant on public funding for their activities. In almost all cases, the public funding received does not cover the full cost of the training, and so schools are experienced in finding third-stream funding and generating additional income.

Income

The Conservatoire has two major sources of income: grants from HEFCE, recurrent and non-recurrent, and tuition fees. These are augmented with a small amount of income from bank deposits of £7k compared to £5k in 2009-10.

Table G: Income



(a) Funding Council grants

Table H below gives details of HEFCE recurrent and non-recurrent grants. Non-recurrent grants comprise Higher Education Innovation Fund (HEIF), HEFCE Teaching Capital Investment Fund (TCIF) allocations and HEFCE Matched Funding.

	2010-11			2009-10 (restated - see note 14)	
	£'000	% change	proportion of total income	£'000	proportion of total income
HEFCE - recurrent grants	10,213	-1.6%	65.8%	10,375	62.5%
HEFCE - non-recurrent grants	257	-80.3%	1.6%	1,304	7.9%

(b) Tuition fees

Conservatoire students are charged tuition fees for higher education programmes, which are delivered by the affiliate schools on behalf of the Conservatoire. Such fees are recognised in the Conservatoire's accounts.

Expenditure

(a) Disbursements to affiliates

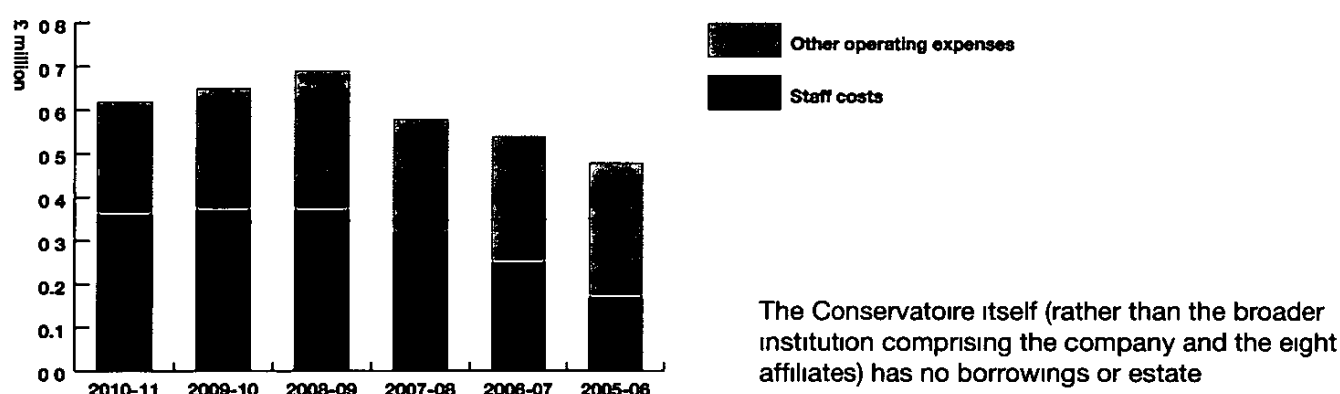
Management aims to keep central administration costs below 5% of total income, in order to maximise the amount of resource available to affiliates (see notes 5 and 6 to the accounts). The Conservatoire made allocations of recurrent grant to affiliates of £9,553k (2009-10: £9,822k) and specific grants of £235k (2009-10: £1,291k).

(b) Other expenses

Operating costs, comprising staff costs and other operating expenses, totalled £628k or 4.0% of total income (2009-10: £645k, 3.9%)

The Conservatoire established its bursary fund in 2006. In 2010-11 all qualifying students will have received bursaries. Bursary costs in the year totalled £490k (2009-10: £502k)

Table I: Other expenditure



(c) Capital expenditure

Capital grant received from HEFCE is allocated substantially to the affiliate schools. The capital grant creates an Exchequer Interest attaching to the Conservatoire rather than individual assets. The Governors consider the likelihood of events that would crystallise the Exchequer Interest to be sufficiently remote for it not to require disclosure as a contingent liability.

HEFCE Assurance Review and risk rating

HEFCE determines as a consequence of its review and the annual cycle of institutional reporting whether it deems individual institutions to be included in an 'at higher risk' category. Institutions are informed of their risk status. In 2010-11 the Conservatoire was not considered by HEFCE to be 'at higher risk', a similar finding to that of each of the previous years in which a risk rating has been issued by HEFCE.

Principal risks and uncertainties facing the Conservatoire

The Conservatoire's risk register includes nine principal risks (those that are deemed to have a substantively detrimental effect on the organisation combined with a high likelihood of occurring). The most significant risk continues to be related to grant income, and specifically reduction to the grant income. This in turn generates a number of other risks, including the Conservatoire's ability to recruit and retain students who have the talent, aptitude and dedication to benefit from the training offered, including those from outside the EU. It should be noted, however, that the Conservatoire has not historically experienced recruitment difficulties and has one of the best retention rates in the sector. The other category of closely-monitored risks relates to the corporate governance of the institution and compliance with higher education requirements by the affiliate schools.

A new funding regime for higher education will come into force from 2012, the most widely-publicised aspect of which is the increase in tuition fees for UK and EU students. The Conservatoire set its fees at £9,000 along with all other conservatoires and performing arts institutions and the majority of universities. The new fee regime represents a significant change to the funding arrangements for students. The Conservatoire has incorporated these risks into its current risk register. In addition, it has created a Conservatoire Scholarship Scheme to provide fee waivers to students from 2012. Discounts of up to £4,000 will be available alongside a government-sponsored National Scholarship Programme.

The Conservatoire is in close conversation with government and HEFCE about the future of its funding. In the Government's White Paper, HEFCE is asked to consider its support for 'small and specialist institutions such as music and arts conservatoires' in the new arrangements for higher education.

For 2012-13, it has been assured that specialist funding provided for the Conservatoire through HEFCE's 'targeted allocation' methodology will continue. By working collectively, the eight Conservatoire schools represent a world-class group of vocational institutions in dance, drama and circus arts which strengthens the voice of performing arts training.

Throughout 2011-12, the Conservatoire and its schools will monitor closely student applications, provide full and detailed information about the financial support available to students, respond to consultations and requests for information and work closely with government and its agencies to protect the future of vocational training and the Conservatoire schools.

Auditors

Following a tender for external audit services during the year Deloitte LLP were appointed as external auditors

Disclosure of Information to Auditors

At the date of making this report each of the company's directors in office, as set out above (page 5) confirms the following:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- he or she has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Directors

The directors of the Conservatoire are its Governors including the Joint Principal as shown on page 5. The Governors who held office during the year were:

Name	Date of appointment
Sir Robert Reid (Independent Governor)	1 August 2001 (Chair of the Board) (resigned 23 March 2011)
James Smith (Independent Governor)	24 November 2010 (appointed as Chair, 23 March 2011)
Sue Storr (Independent Governor)	1 August 2001, resigned 25 November 2010
Veronica Lewis MBE (Joint Principal)	1 August 2001
Katherine Farr (Independent Governor)	7 October 2002 (Chair of Audit Committee)
Peter Gruen (Affiliate nominee)	16 December 2003, resigned 20 July 2011
Mark Gill (Independent Governor)	14 December 2004, resigned 20 July 2011
Dr Virginia Brooke (Affiliate nominee)	14 December 2004
Luke Rittner (Affiliate nominee)	14 December 2004
Prof Christopher Bannerman (Independent Governor)	16 March 2005
Melanie Johnson (Independent Governor)	13 July 2005
Tony Dyson (Affiliate nominee)	14 December 2005, resigned 20 July 2011
Andrew Summers (Independent Governor)	14 December 2005 (Chair of Finance Committee)
Ryan Densham (Affiliate nominee)	28 March 2007
Susannah Marsden (Affiliate nominee)	18 July 2007
Kim Brandstrup (Independent Governor)	19 December 2007
Sir Tim Lankester (Affiliate nominee)	19 December 2007
Anthony Smith (Affiliate nominee)	19 December 2007
Nicholas Karelis (Independent Governor)	19 March 2008
Stephanie Post (Independent Governor)	15 July 2008
Jane Rice-Bowen (Joint Principal)	26 November 2008, resigned 20 October 2010
Su Dean (Staff Governor)	26 November 2008, resigned 20 July 2011
Sharon Coleman (Staff Governor)	26 November 2008
Matthew Lloyd Davies (Student Governor)	16 November 2009, resigned 23 November 2010
Edward Kemp (Joint Principal)	1 December 2010
Christopher de Pury (Independent Governor)	24 March 2010
Paul Holloway (Student Governor)	24 November 2010
Richard Cooper (Affiliate nominee)	20 July 2011
Kathleen Tattersall (Affiliate nominee)	20 July 2011

Conservatoire Student Public Performances 2010-11

(for information and not part of the audited accounts)

Bristol Old Vic Theatre School

The Wild Party by Joseph Moncure March, directed by Sue Wilson
Cinderella, written and directed by Clive Hayward
The Nativity, written and directed by Kim Durham
Hamlet by William Shakespeare, adapted and directed by Toby Hulse
Love's Labour's Lost by William Shakespeare, directed by John Hartoch
Les Liaisons Dangereuses by Pierre Choderlos de Laclos, adapted by Christopher Hampton, directed by Jenny Stephens
Tom Jones by Henry Fielding, adapted by Joan Macalpine, directed by Christopher Scott
On The Piste, written and directed by John Godber
Salt Of The Earth by John Godber, directed by Sue Wilson
Bouncers and Shakers by John Godber, directed by Gareth Tudor Price
Teechers by John Godber, directed by Gareth Tudor Price

Central School of Ballet

End of Year performances:

'Pas de Six' from *Sleeping Beauty*, choreography Helgi Tomasson
And then their hopes soared., choreography Sara Matthews
Circle Dance, choreography Michael Rolnik
Fever, choreography Phillip Aiden
Fur Alina, choreography: Christopher Bruce
Toque de Luz, choreography Marta Barahona and Resmi Malko
Espintu de Bolero, choreography Sherrill Wexler
'Pas de Trois' from *Simple Symphony*, choreography Nellie Happee
'Blue Ball pas de deux' from *Cinderella*, choreography Christopher Gable
Future Imperfect, choreography Leanne King
Capriol Suite, choreography: Christopher Hampson
One by One, choreography Glenn Wilkinson

Ballet Central

And then their hopes soared., choreography Sara Matthews
Capriol Suite, choreography Christopher Hampson
'Blue Ball pas de deux' from *Cinderella*, choreography Christopher Gable
Doubting Thomas, choreography Darshan Singh Bhuller
Fur Alina, choreography Christopher Bruce
Groove of the Metropolitan, choreography Kenrick Sandy, assisted by Gemma Hoddy
Scenes from a Wedding, choreography Christopher Marney
'Excerpts' from *Simple Symphony*, choreography Nellie Happee
'Pas de Six' from *Sleeping Beauty*, choreography Helgi Tomasson
'Pas de Trois' from *Swan Lake Act 1*, choreography after Petipa
Swing Time, choreography Phillip Aiden

Circus Space

Second Year BA (Hons)

The Arrival ensemble performance, directed by Kristine Landon-Smith, Co-Artistic Director of Tamasha

Third Year BA (Hons):

The Other Road ensemble performance, directed by Rishi Trikha Residency and performance at the 'Watch This Space' festival

BA (Hons) Third Year Devised Pieces

London Academy of Music and Dramatic Art

Some Voices by Joe Penhall, directed by James Kerr

A Prayer For Owen Meany by John Irving, adapted by Simon Bent, directed by John Baxter

The Mill On The Floss by George Eliot, adapted by Helen Edmundson, directed by David Grindley

As You Like It by William Shakespeare, directed by Joseph Blatchley

Coriolanus by William Shakespeare, directed by Richard Bullwinkle

Cabaret by Joe Masteroff, music by John Kander and lyrics by Fred Ebb, based on the play by John Van Druten and stories by Christopher Isherwood, directed by Stephen Jameson

Kindertransport by Diane Samules, directed by Charlie Westenra

The Last Days of Judas Iscariot by Stephen Adley Guirgis, directed by David Woodhead

Hedda Gabler by Henrik Ibsen, directed by Joseph Blatchley

Dancing At Lughnasa by Brian Friel, directed by Matt Peover

Dealer's Choice by Patrick Marber, directed by Aaron Mullen

Taking Steps by Alan Ayckbourn, directed by John Bashford

Touched by Stephen Lowe, directed by Colin Cook

A Woman Of No Importance by Oscar Wilde, directed by William Oldroyd

Redemption Over Hammersmith Broadway by David Watson, directed by Max Key

Daisy Pulls It Off by Denise Deegan, directed by Stephen Jameson

The Trestle At Pope Lick Creek by Naomi Wallace, directed by Penny Cherns

A Lie Of The Mind by Sam Shepard, directed by Aaron Mullen

A Gloriously Mucky Business by April De Angelis, directed by Elizabeth Freestone

Arcadia by Tom Stoppard, directed by Sarah Esdaile

Vincent In Brixton by Nicholas Wright, directed by James Dacre

The Talented Mr Ripley by Patricia Highsmith, adapted by Phyllis Nagy, directed by James Kerr

Into The Woods by Stephen Sondheim, directed by Joanna Read

London Contemporary Dance School

Graduation performances, a season of specifically commissioned and remounted works by internationally celebrated choreographers alongside selected works created by current students:

Artificial Garden, choreography Tom Dale

I like short songs, choreography Dog Kennel Hill Project

among the whisperings, and the champagne and the start, choreography Martin Lawrance

Gods, choreography: Arthur Pita

Araneae Papilionoide, choreography: Leila Bakhtali in collaboration with the dancers Teerachai Thobumrung, Viola Vicini

On Untamed Land, choreography Eithne Kane with creative input from the dancers Veronica Butturini, Marilia Giannini Alves da Silva, Rata Thuvasin
There Was Never a Question, choreography Michael Kelland
Hoh!, choreography Tom Peacock and Jessica Sim
Rob The Post Office, choreography Sophie Robinson
Kettled, choreography: John Ross and dancers Leila Bakhtali, Veronica Butturini, Julia Robert, John Ross, Joseph Toonga

EDge Tour, the postgraduate performance company of London Contemporary Dance School

36, choreography Jorge Crecis
Running Up the Down Escalator, choreography Ben Duke
BRAID, choreography Martin Forsberg
My Big Pants, choreography: Jeremy James, remounted by Sonja Peedo
P & J, choreography Eva Recacha

LC3, a touring programme of dance by graduating students:

Event, choreography Merce Cunningham, restaged by Jeannie Steele
Brisk Singing, choreography Richard Alston, restaged by Kate Price
Birdsong, choreography Siobhan Davies, restaged by Sasha Roubicek
It Would Be Nice, choreography Eve Vegio-White, Lois Vero
Prime Mover, choreography Giorgio Azzone
We Share Our Mother's Health, choreography Anne Marie Kristensen
Andante Con Moto, choreography Giorgio Azzone
EN2 KLV, choreography Teerachai Yaun Thobumrung
Cacophony, choreography John Ross
Destiny, choreography Harriet Bailey, Lydia Johnson
Between Two Places, choreography Eithne Kane, Dominick Mitchell-Bennet
Lindy, choreography Nikki Bakolis

Northern School of Contemporary Dance

Graduation performances and Student Showcases

Parabola the moment when the arc descends, choreography Company Chameleon
Car l'adieu, c'est la nuit, choreography Riccardo Meneghini
Covenant, choreography Debby Purtill
Palm Desert CA, choreography James Wilton

Verve 2011, the postgraduate performance company of Northern School of Contemporary Dance

Unspoken, choreography Debora Johnson
Cascade, choreography Charles Linehan
Dual Formula, choreography Peter Mika
Judder, choreography Thomas Noone
Forces, choreography Ben Wright

Rambert School of Ballet and Contemporary Dance

Performances at the Linbury Studio Theatre, Royal Opera House

Joy, choreography Rebecca Wilson
Maghrib, choreography Kerry Nicholls
Recommencer De La Fin, choreography Mark Swann
Shards, choreography Nicole Guy
Partita, choreography Edward Kitchen
Bach with Bite, choreography Helena Holland
Napoli, choreography August Bournonville
Langour, choreography Carys Staton
Symphony in D, choreography Mark Baldwin

In addition to this, there were student choreographic performances in December and July

Royal Academy of Dramatic Art

Pornography by Simon Stephens, directed by Trilby James
The Workroom by Jean-Claude Grumberg, adapted by Amy Rosen, directed by Toby Frow
Oh What A Lovely War by Joan Littlewood, directed by Nona Shepphard
Our Lady Of Sligo by Sebastian Barry, directed by Jonathan Moore
The Tyrant by Thomas Middleton, directed by Philip Franks
Splendour by Abi Morgan, directed by Matt Wilde
The Young Idea by Noel Coward, directed by Edward Kemp
The Brothers Size by Tarell Alvin McCraney, directed by Burt Caesar
A Waste Of Time by Robert David MacDonald, directed by Jane Bertish
The Crucible by Arthur Miller, directed by Toby Frow
Ladybird by Vassily Sigarev, directed by Seb Harcombe
Our Town by Thornton Wilder, directed by Geraldine Alexander
All About My Mother by Samuel Adamson, based on the film by Pedro Almodóvar, directed by Geoff Bullen
Dirty Butterfly by Debbie Tucker Green, directed by Tara Robinson
Nocturnal by Juan Mayorga, directed by Jacopo Gassman
Reigen by Arthur Schnitzler, directed by Patrick Steinwider
Get To Know The World by Luisa Cunillé, directed by André Piza

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF GOVERNORS

The Board of Governors is responsible for preparing the Report of the Board of Governors and the financial statements in accordance with applicable laws and regulations

Company law requires the Board of Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards and statements of recommended practice have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Conservatoire will continue in operation

The Board of Governors is responsible for keeping adequate accounting records that are sufficient to show and explain the Conservatoire's transactions and disclose with reasonable accuracy at any time the financial position of the Conservatoire and enable them to ensure that the financial statements comply with the Companies Act 2006, its Articles of Association, the Accounts Direction issued by the Higher Education Funding Council for England (HEFCE) and the Statement of Recommended Practice: Accounting for Further and Higher Education, as well as reflecting best practice in public sector corporate governance. The Board of Governors is also responsible for taking steps that are reasonably open to them in order to safeguard the assets of the Conservatoire and to prevent and detect fraud and other irregularities

The Board of Governors is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

The Board of Governors has taken steps to

- ensure that funds from HEFCE are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe,
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources,
- secure the economic, efficient and effective management of the Conservatoire's resources and expenditure; and
- comply with the guidance to institutions of higher education published by the Committee of University Chairs in its Guide for Members of Higher Education Governing Bodies in the UK (2009), known as the 'CUC Governance Code of Practice', except in respect of the number of Board meetings per year, where it was agreed to continue to meet three times per annum rather than four as recommended by the CUC Governance Code of Practice. It is felt that this is sufficient for an institution of the size and structure of the Conservatoire, and allows for a structured meeting cycle between the Conservatoire and its affiliate schools' governing bodies

Signed on behalf of the Board



John Myerscough
Clerk to the Board of Governors

23 November 2011

CORPORATE GOVERNANCE STATEMENT

For the year ended 31 July 2011

The Conservatoire is an independent corporation, established as a Higher Education Institution under the terms of the Education Reform Act 1988 and the Further and Higher Education Act 1992. Its objects, powers and framework of governance are set out in the Articles of Association. A new set of Articles was adopted by the company members in March 2011 following a review of the governing documents.

The Board of Governors endeavours to conduct its business in accordance with the seven principles identified by the Committee of Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership). The Board has complied with the guidance to institutions of higher education published by the Committee of University Chairs in its *Guide for Members of Higher Education Governing Bodies in the UK* (revised 2009) except that it holds three not four meetings per year which it deems to be sufficient for an institution of its size and where governance is also conducted by the governing bodies of the individual affiliate schools. A summary of the Board and its Committees' responsibilities is given below.

The Board is also aware of its obligation under the Financial Memorandum (2010) with HEFCE to take into account any relevant guidance on accountability, probity or value for money issued from time to time by HEFCE.

The Conservatoire has in place systems and procedures for effective management and requires that its affiliate schools have similar systems and procedures. The relationship between the Conservatoire and each of its affiliate schools is governed by a Financial Memorandum and Operating Agreement, both of which were revised and updated during 2010-11 (to be signed following the Conservatoire's AGM in November).

Board of Governors

The Board of Governors, which meets formally at least three times a year, comprises lay and academic persons appointed in accordance with the Conservatoire's Articles of Association. There is a clear separation of roles of the non-executive Chairman and other non-executive Governors and the Conservatoire's Chief Executive, the Joint Principal. Two staff representatives and one student representative

are elected to the Board. The Board approves the Conservatoire's long-term objectives and strategies and provides overall financial and organisational control. The Board has a number of committees including a Finance Committee, an Audit Committee, a Nominations Committee and other ad hoc committees as required from time to time. The Conservatoire also has in place an Academic Board which is responsible for overseeing the academic development of the Conservatoire and advising the Governors. The responsibilities of the Board of Governors are set out on page 21.

Finance Committee

This Committee comprises not less than three independent members of the Board, an affiliate Principal and the Joint Principal (one of whom carries responsibility as Accountable Officer). The Chair of the Committee is drawn from the independent members. The Committee is established to oversee all matters relating to the financial and business concerns of the Conservatoire and to make recommendations to the Board of Governors on appropriate courses of action in relation to these matters.

In particular, the Committee recommends to the Board of Governors the Conservatoire's annual revenue and expenditure budgets, including grant allocations to the affiliates, and monitors performance in relation to approved budgets. It also recommends to the Board the annual financial statements, having been satisfied that management is discharging its responsibilities to control and account for the income, expenditure and assets of the Conservatoire in compliance with the guidelines of HEFCE and the applicable laws.

Audit Committee

The Committee comprises a Chair, who is an independent member of the Board of Governors, with at least two further independent Governors. One member of the Audit Committee completed his term as a Governor on 20 July 2011 and a new member of the Committee was appointed in October 2011. The Committee meets at least three times a year. The internal and external auditors of the Conservatoire are invited to these meetings. The Committee reviews their work.

The Committee considers internal audit reports, together with recommendations for the improvement of the Conservatoire's systems of internal control and management's responses and implementation plans. It also receives and considers reports from HEFCE insofar as they affect the Conservatoire's business and monitors adherence with the regulatory requirements. It reviews the Conservatoire's annual financial statements, together with the accounting policies, and exercises a monitoring role over the internal control systems of the affiliates. The Audit Committee is also responsible for, and reports to the Board of Governors on, the Conservatoire's arrangements for the management and quality of data, value for money and risk management.

Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the Committee and the Committee meets with the external auditors and internal audit on their own for independent discussions.

Academic Board

The Academic Board is chaired by the Joint Principal of the Conservatoire (in rotation) and membership comprises the Principal of each affiliated school, one further member nominated by each affiliated school and three student representatives (one each from a dance, drama and circus school affiliated to the Conservatoire). There is provision for two other nominated staff members and additional co-opted members. This provision was not exercised in 2010-11.

The Academic Board is responsible for defining the academic strategy of the Conservatoire and for developing the policies and processes for its delivery. The Board is concerned with scrutinising and approving the quality assurance systems at the Conservatoire and in its affiliate schools, monitoring them via annual reports on academic standards, quality and equality and diversity issues. The Board oversees the Conservatoire's Learning, Teaching and Assessment Strategy and scrutinises and monitors the learning, teaching and assessment strategies of affiliate schools. The Board is responsible for ensuring that affiliate schools have in place appropriate staff development strategies and these are reported on through the annual monitoring processes. The Board is also responsible for encouraging and facilitating collaboration between affiliated schools and for identifying and disseminating good practice in

learning and teaching. The Academic Board has three committees supporting its work: the Learning and Teaching Committee, Quality Assurance Committee and Joint Artistic Committee.

Nominations Committee

This Committee comprises the Chairman of the Board of Governors and two other independent members of the Board. This Committee advises the Board of Governors in relation to the appointment of independent members of the Board. It is also responsible for the induction of new Governors. The Nominations Committee meets as necessary.

Remuneration Committee

The Board of Governors has established a Remuneration Committee as required by the CUC Governance Code of Practice. This Committee comprises the Chairs of the Board of Governors and the Finance Committee and the Joint Principal. The Committee's terms of reference include determination of salaries and conditions of service for the Conservatoire's staff whose full-time equivalent salary is in excess of £70,000 per annum. At present there are no such staff and hence it has not been necessary for this Committee to meet.

Principals' Management Group

The Joint Principal (two principals) carries out the responsibilities as Chief Executive of the Conservatoire, and is responsible for the organisation, direction and management of the institution and the leadership of the staff. One Joint Principal is designated as the Accountable Officer and takes responsibility for the conduct of the business of the Conservatoire. The Principals' Management Group (PMG) consists of all the Principals of affiliate schools led by the Joint Principal. It holds executive responsibility for the Conservatoire and advises the board on and implements the Conservatoire's strategic direction. It is responsible for general operational and business planning. The Conservatoire's senior finance, administrative and registry staff attend these meetings which are held three or four times each term. The Joint Principal and Administrative Director meet (with a consultant) on a weekly basis to agree day-to-day operational matters.

Internal Control and Risk Management

The Board of Governors is aware that HEFCE requires it to provide a statement on internal control to cover all internal controls, including financial, operational, compliance and the management of risk. However, any system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss.

The Board of Governors is committed to exhibiting best practice in all aspects of corporate governance, and acknowledges that it is responsible for ensuring that a sound system of control is maintained.

During the year, the Board of Governors continued to follow the requirements of HEFCE guidance and has carried out a review of the effectiveness of internal control processes, including the effective management of risk. From 1 August 2010 to the date of approval of these annual accounts the Conservatoire itself was fully compliant with HEFCE requirements except, as already noted, in respect of the number of Board meetings held during the year.

During the year a serious incident was reported to HEFCE concerning the governance of one affiliate. The Conservatoire's Audit Committee was apprised of the situation and provided with regular updates. An action plan has been drawn up to enable the affiliate, supported by the Conservatoire, to address the issues raised, including the involvement of the internal auditor in monitoring and contributing to their resolution. The Conservatoire will continue to monitor the position closely.

In line with HEFCE guidelines incorporating the Combined Code, the key elements of the Conservatoire's system of internal control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of the respective members of the management team,
- annual monitoring of academic and quality assurance mechanisms within affiliates,
- appropriate quality assurance mechanisms to ensure the robustness of data provided to HEFCE and other higher education agencies,
- a comprehensive medium and short-term planning process, supplemented by detailed

annual income, expenditure, capital and cash flow budgets,

- regular reviews of financial results involving variance reporting and updates of forecast outturns,
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review as determined by the Board of Governors,
- comprehensive Financial Regulations and Procedures, detailing financial controls and procedures approved by the Board of Governors,
- internal audit: apart from its normal programme of work, internal audit is responsible for aspects of the annual review of the adequacy and effectiveness of the internal control system within the organisation, together with recommendations for improvement,
- external audit, which provides feedback to the Audit Committee on the operation of the internal financial controls reviewed as part of the annual audit, and
- specific processes for assessing accountability for funds allocated to affiliates.

The Conservatoire exercises its accountability for funds allocated to the affiliate institutions under the terms of a Financial Memorandum and Operating Agreement between the Conservatoire and each of its affiliates. Key elements in discharging this responsibility are:

- ongoing monitoring of compliance with each Financial Memorandum and Operating Agreement, including regular reporting from affiliate schools on all aspects of activity including their own internal control mechanisms,
- external audit opinions within affiliate statutory accounts on the use of funds from the Conservatoire,
- for affiliate schools which do not operate in the same accounting period as the Conservatoire (ie 1 August – 31 July) assurances provided by the external auditors of each affiliate on compliance with the relevant Financial Memorandum for the period after the balance sheet date, during any periods when assurances are not available from the external auditors, the Board of Governors looks to the affiliate Accountable Officers for such assurance,
- noting comments made by affiliate external auditors in their management letters,

- being informed of the results of internal audits performed at each affiliate and seeking explanations where appropriate;
- affiliate schools' completion of an annual Affiliate Accountability Return, and
- affiliates fulfilling their obligation under the terms of the Financial Memorandum to inform the Conservatoire of any event that has a material adverse impact on their financial situation

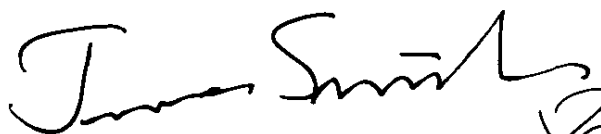
The Conservatoire is committed to the operation of effective risk management processes as part of a risk-based system of internal control. Responsibility for the management of these processes rests with the Accountable Officer (Veronica Lewis). The risk management policy ensures that

- the Conservatoire has in place policies and procedures set by the Board of Governors and communicated by senior management to staff. Written procedures support the policies where appropriate and there is an on-going programme of risk awareness training for staff;
- risk management is embedded into normal business processes and aligned to the Conservatoire's strategic objectives, through planning and budgeting processes objectives are set, action plans agreed and resources allocated, and progress towards meeting action plans is monitored regularly with variances investigated;
- there is on-going identification and evaluation of risks by staff members, with regular reporting through the Conservatoire's committees and Board of Governors; all risks are covered - governance, quality, management, reputation, systems and financial - and are rated according to their possible impact and/or likelihood,

- within the risk register, those risks which are rated most significant, and considered most likely to occur, are monitored by the Board of Governors directly and these high level risks and any mitigating actions to be taken are reviewed regularly, and
- the Audit Committee is required to report to the Board of Governors at each Board meeting on internal controls and alert governors to any emerging issue, in addition, the Audit Committee oversees internal audit and external audit. The Audit Committee is therefore well-placed to provide advice to the board on the effectiveness of the internal control system, including the institution's system for the management of risk

The review of the effectiveness of the system of internal control is informed by

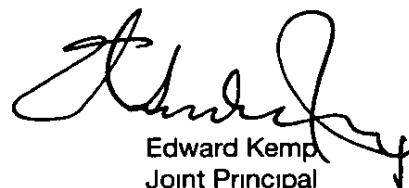
- the work of the Principals' Management Group within the institution, which has responsibility for the development and maintenance of the internal control framework,
- the work of the in-house internal auditor, who operates to standards defined in the HEFCE Audit Code of Practice,
- comments made by the external auditors in their management letter and other reports, and
- any other sources of internal or external review or evaluation which might contribute to the assessment



James Smith CBE
Chairman of the Board



Veronica Lewis MBE
Joint Principal and
Accountable Officer



Edward Kemp
Joint Principal

23 November 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONSERVATOIRE FOR DANCE AND DRAMA

We have audited the financial statements of The Conservatoire for Dance and Drama for the year ended 31 July 2011 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Principal Accounting Policies and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice Accounting for Further and Higher Education.

This report is made solely to The Conservatoire for Dance and Drama'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 Conservatoire for Dance and Drama'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 Conservatoire for Dance and Drama and The Conservatoire for Dance and Drama's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the governing body and auditor

As explained more fully in the Statement of Responsibilities of the Board of Governors, the governing body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to The Conservatoire for Dance and Drama's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the governing body, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of The Conservatoire for Dance and Drama's affairs as at 31 July 2011 and of its surplus for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice Accounting for Further and Higher Education, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Opinion on other matters prescribed by the Higher Education Funding Council for England Audit Code of Practice

In our opinion

- in all material respects, income from the Funding Council, grants and income for specific purposes and from other restricted funds administered by The Conservatoire for Dance and Drama during the year ended 31 July 2011 have been applied for the purposes for which they were received; and
- in all material respects, income during the year ended 31 July 2011 has been applied in accordance with The Conservatoire for Dance and Drama's statutes and, where appropriate, with the Financial Memorandum with the Funding Council

Matters on which we are required to report by exception

We have nothing to report in respect of the following

Under the Companies Act 2006 we are required to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from affiliates not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Under the Higher Education Funding Council for England Audit Code of Practice we are required to report to you if, in our opinion

- the Statement of Internal Control (included as part of the Corporate Governance Statement) is inconsistent with our knowledge of The Conservatoire for Dance and Drama



Matthew Hall FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans, United Kingdom

24th November 2011

The Conservatoire for Dance and Drama

INCOME AND EXPENDITURE ACCOUNT for the year ended 31 July 2011

	Note	2011 £'000	2010 £'000 restated
Income	14		
Funding council grants	2	10,599	11,812
Tuition fees	3,4	4,915	4,766
Interest receivable		7	5
Donations		1	-
Miscellaneous income		2	9
Total income		15,524	16,592
Expenditure			
Grant allocations to affiliates	4	14,332	15,564
Bursary Fund	12	490	502
Staff costs	5	363	369
Other operating expenses	6	265	276
Total expenditure		15,450	16,711
Retained surplus/(deficit) for the period	11	74	(119)

The income and expenditure account is in respect of continuing activities for the year ended 31 July 2011.

There were no recognised gains or losses other than the surplus/(deficit) for the year.

There is no difference between the surplus/(deficit) on a historical cost basis and the result for the year.

The notes on pages 31 to 40 form part of these financial statements.

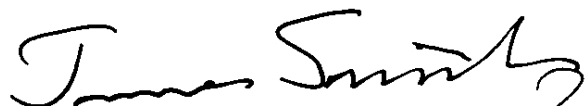
The Conservatoire for Dance and Drama

BALANCE SHEET as at 31 July 2011

<i>Company number: 04170092</i>	Note	2011 £'000	2010 £'000 restated
Fixed assets	14		
Tangible assets	7	<u>9</u>	<u>9</u>
Current assets			
Debtors	8	274	919
Cash at bank		<u>988</u>	<u>814</u>
		1,262	1,733
Creditors: Amounts falling due within one year	9	<u>592</u>	<u>892</u>
Net current assets		670	841
Creditors: amounts falling due after one year	9	-	245
NET ASSETS		<u>679</u>	<u>605</u>
 Deferred capital grant	13	10	10
 Reserves			
Income and expenditure account	11	669	595
TOTAL FUNDS		<u>679</u>	<u>605</u>

The notes on pages 31 to 40 form part of these financial statements


The financial statements were approved and authorised for issue by the Board of Governors on 23 November 2011 and signed on its behalf by



James Smith CBE
Chairman of the Board



Veronica Lewis MBE
Joint Principal and
Accountable Officer



Edward Kemp
Joint Principal

The Conservatoire for Dance and Drama

CASH FLOW STATEMENT for the year ended 31 July 2011

	Note	2011 £'000	2010 £'000
Net cash inflow/(outflow) from operating activities	10(a)	170	(423)
Returns on investments and servicing of finance	10(b)	7	5
Capital expenditure to acquire tangible fixed assets	7	(3)	(12)
Increase/(decrease) in cash in the period	10(d)	<u>174</u>	<u>(430)</u>

Reconciliation of net cash flow to movement in net funds

Increase/(decrease) in cash in the period	10(d)	174	(430)
Net funds at 1 August		<u>814</u>	<u>1,244</u>
Net funds at 31 July		<u>988</u>	<u>814</u>

The notes on pages 31 to 40 form part of these financial statements.

The Conservatoire for Dance and Drama

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES for the year ended 31 July 2011

1 Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, the Statement of Recommended Practice 'Accounting for Further and Higher Education' and applicable Accounting Standards.

The financial statements comprise only the financial results of the Conservatoire and do not consolidate the financial results of its affiliates to which it provides funding but in respect of which it does not exercise management or financial control. Please refer to note 1 of the accounts.

With the exception of a change to the policy for matched funding (see policy 6 below), these accounting policies remain unchanged from the previous year.

2 Recognition of income

Recurrent grants of a revenue nature and capital grants for disbursement to the affiliates are credited to the income and expenditure account on a receivable basis. Grants of a capital nature applied by the Conservatoire are recognised as deferred capital grants and credited to income and expenditure account over the useful economic life of the related assets.

3 Leases

Rental costs under operating leases are charged to expenditure in equal annual amounts over the period of the leases.

4 Equipment

Equipment costing less than £3,000 per individual item or group of related items is written off in the year of acquisition. All other equipment is capitalised.

Additions are stated at cost. Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Fixtures and fittings	20%
Computer equipment	33%
Database	33%

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated as above. The related grants are treated as deferred capital grants and released to income over the expected useful life of the equipment.

5 Taxation status

The Conservatoire is exempt from income tax, corporation tax and capital gains tax as all its funds are applied to its charitable purposes. The Conservatoire is not registerable for Value Added Tax so tax suffered on expenditure is included under the various expenditure headings.

The Conservatoire for Dance and Drama

6 Matched funding

The Conservatoire is registered in tier 2 of the HEFCE matched funding scheme which gives £1 for every qualifying donation of £2 to a maximum of £2.7m in donations. The scheme is scheduled to run for three years with a proportion of the matched funding being paid in the first and second years irrespective of the amount of donations received in each prior year. Up to 31 July 2010 income was recognised on a receipts basis. For the year to 31 July 2011, income was recognised on an accruals basis. Given the relative certainty that the income earned will be received in full, the necessary conditions required to recognise the income are now satisfied and the income should be recognised as earned. The effect of this change of accounting policy is detailed in note 14 to the accounts.

The Conservatoire for Dance and Drama

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2011

1 Application of HEFCE funding - Related party transactions

Funding is received by the Conservatoire from HEFCE and it distributes Higher Education funding to its affiliates. The Conservatoire applies a small proportion of the funding towards its own operating costs. The affiliates are separate legal entities over which the Conservatoire does not have control, although their activities are subject to Operating Agreements and Financial Memoranda. These financial statements do not therefore include the transactions or assets and liabilities of the affiliates. The Conservatoire accounts do not report on the application by the affiliates of HEFCE funds distributed to them. In addition, the Conservatoire makes payments to the affiliates in respect of their employees and support arrangements.

During the year, the payments due to affiliates were as follows:

	2011 £'000	2010 £'000
Higher Education grants	9,788	11,345
Other payments in respect of staff, services etc.		
London Contemporary Dance School	36	36
Royal Academy of Dramatic Art	6	4
Bristol Old Vic Theatre School	-	-
Northern School of Contemporary Dance	-	-
Circus Space	-	2
Central School of Ballet	-	-
London Academy of Music and Dramatic Art	-	-
Rambert School of Ballet and Contemporary Dance	-	-
	<u>9,830</u>	<u>11,387</u>

and the balances due to the affiliates at 31 July were as follows:

London Contemporary Dance School	64	168
Royal Academy of Dramatic Art	56	203
Bristol Old Vic Theatre School	35	129
Northern School of Contemporary Dance	29	62
Circus Space	19	57
Central School of Ballet	42	133
London Academy of Music and Dramatic Art	43	155
Rambert School of Ballet and Contemporary Dance	20	75
	<u>308</u>	<u>982</u>

The Conservatoire for Dance and Drama

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 July 2011

2 Funding Council grants

	Note	2011 £'000	2010 £'000
HEFCE	14		restated
Recurrent grants		10,213	10,375
Selective initiatives		250	214
Matched funding		-	227
Capital grants received		52	897
Deferred grant released in year	13	3	4
Capital grant deferred	13	(3)	(12)
Capital grant deferred - current liabilities	9	(45)	(26)
		<u>10,470</u>	<u>11,679</u>
Further Education			
Grants receivable		<u>129</u>	<u>133</u>
		<u>10,599</u>	<u>11,812</u>

3 Tuition fees

Fees for students in all years, charged under the top-up fees arrangements introduced for 2006-07, are accounted for by the Conservatoire as income and equivalent expenditure (see note 4). Fees are collected from individual students partly by affiliates under licence from the Conservatoire and partly by the Conservatoire itself, which collects the public fee contributions and the fees paid by loan finance from the Student Loan Company.

4 Grant allocations to affiliates

	Note	2011 £'000	2010 £'000
	14		restated
London Contemporary Dance School		2,306	2,483
Royal Academy of Dramatic Art		2,202	2,356
Bristol Old Vic Theatre School		1,999	2,037
Northern School of Contemporary Dance		2,043	2,228
Circus Space		766	782
Central School of Ballet		1,407	1,598
London Academy of Music and Dramatic Art		2,239	2,460
Rambert School of Ballet and Contemporary Dance		<u>1,370</u>	<u>1,620</u>
		<u>14,332</u>	<u>15,564</u>

The Conservatoire for Dance and Drama

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 July 2011

Comprising allocations of income received as follows:		2011	2010
		£'000	£'000
	14		restated
Recurrent grant from HEFCE		9,553	9,822
Specific grants from HEFCE		235	1,291
Further education grants		129	133
Tuition fees - UK and EU students		3,382	3,327
Tuition fees - overseas students		1,533	1,439
Bursary fund contributions		(500)	(448)
		<u>14,332</u>	<u>15,564</u>

As described in note 1, the affiliates are related parties.

5 Staff costs

	2011	2010
	no.	no.
Staff – full time	4	5
Staff – part time	8	8
	£'000	£'000
Direct salary costs	283	285
Social security costs	29	29
Other direct staff costs	51	55
	<u>363</u>	<u>369</u>

Amounts payable to affiliates in respect of the
Joint Principals

	<u>42</u>	<u>42</u>
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The Joint Principals are employed by the respective affiliates of which they are the Principal. Those affiliates have invoiced the Conservatoire for a responsibility allowance in discharging their duties to the Conservatoire

No remuneration was paid to any Governor or the Joint Principals. No payment was made to any Governor or to any party connected to a Governor, other than to affiliates, for services provided. One Governor claimed expenses of less than £1k (2009-10: nil). One of the Joint Principals claimed expenses during the year, which arose during the ordinary course of Conservatoire operations. In total these were less than £1k (2009-10: less than £1k). No other Governor claimed any expenses. The Conservatoire has in place Directors' and Officers' insurance.

The Conservatoire for Dance and Drama

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 July 2011

6 Other operating expenses

	2011 £'000	2010 £'000
Office expenses	59	64
Premises	62	57
Subscriptions	45	47
Consultants	45	32
Project costs	25	40
External auditors' remuneration	17	18
Communications	8	10
Depreciation	3	7
Bank charges	1	1
	<u>265</u>	<u>276</u>

7 FIXED ASSETS

	Fixtures & Fittings £'000	Computer Equipment £'000	Database £'000	Total £'000
At cost				
At 1 August 2010	17	29	24	70
Additions	3	-	-	3
At 31 July 2011	<u>20</u>	<u>29</u>	<u>24</u>	<u>73</u>
Depreciation				
At 1 August 2010	8	29	24	61
Charges for the year	3	-	-	3
At 31 July 2011	<u>11</u>	<u>29</u>	<u>24</u>	<u>64</u>
Net book value				
At 31 July 2011	<u>9</u>	<u>-</u>	<u>-</u>	<u>9</u>
At 31 July 2010	<u>9</u>	<u>-</u>	<u>-</u>	<u>9</u>

The Conservatoire is committed to make the following payments in the next year under an operating lease expiring in August 2015.

	2011 £'000	2010 £'000
Land and buildings	<u>44</u>	<u>44</u>

The Conservatoire for Dance and Drama

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 July 2011

8 Debtors

	Note	2011 £'000	2010 £'000 restated
	14		
Prepayments		26	28
Matched funding due		246	891
Other debtors		2	-
		<u>274</u>	<u>919</u>

9 Creditors: amounts falling due within one year

	Note	2011 £'000	2010 £'000 restated
	14		
Amounts due to affiliates (see note 1)		308	737
Allocations pending		165	79
Deferred capital grant		71	26
Social security and taxation		8	10
Other creditors		25	19
Accruals		15	21
		<u>592</u>	<u>892</u>

Creditors: amounts falling due after one year

	Note	2011 £'000	2010 £'000 restated
	14		
Amounts due to affiliates (see note 1)		-	245

The Conservatoire for Dance and Drama

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 July 2011

10 Notes to the Cash Flow Statement

(a) Reconciliation of operating surplus to net cash flow from operating activities

	Note	2011 £'000	2010 £'000 restated
Surplus/(deficit) for the year	14	74	(119)
Decrease in debtors and prepayments		645	239
Decrease in creditors		(545)	(553)
Bank interest received included in income		(7)	(5)
Depreciation	6	3	7
Capital grant deferred	13	3	12
Deferred capital grant released	13	(3)	(4)
Net cash inflow/(outflow) from operating activities		<u>170</u>	<u>(423)</u>

(b) Returns on investments and servicing of finance

	2011 £'000	2009 £'000
Bank interest receivable	<u>7</u>	<u>5</u>
Net cash inflow from returns on investments	<u>7</u>	<u>5</u>

(c) Capital expenditure

	2011 £'000	2009 £'000
Expenditure to acquire fixed assets	<u>3</u>	<u>12</u>
	<u>3</u>	<u>12</u>

(d) Analysis of changes in net funds

	2011 £'000	2009 £'000
Cash at bank		
Balance at 1 August	814	1,244
Cash flows	<u>174</u>	<u>(430)</u>
Balance at 31 July	<u>988</u>	<u>814</u>

The Conservatoire for Dance and Drama

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 July 2011

11 Reserves

	2011 £'000	2010 £'000
Income and expenditure account		
At 1 August	595	714
Surplus/(deficit) for the year	74	(119)
At 31 July	<u>669</u>	<u>595</u>

12 Bursary Fund

The Bursary Fund was established in 2006-07 to make payments of bursaries on a means-tested basis to UK students of the Conservatoire in financial need. This is a statutory responsibility, which is monitored by the Office of Fair Access (OFFA). They form part of a package of financial measures providing student support, alongside the loans and grants which the Government makes available. The means-testing of the Conservatoire's bursary programme is aligned in qualifying bands with the Government's own programme of grants to students in need.

13 Deferred capital grant

	2011 £'000	2010 £'000
Balance at 1 August	10	2
Deferred in year	3	12
Released to income and expenditure account	(3)	(4)
Balance at 31 July	<u>10</u>	<u>10</u>

The Conservatoire for Dance and Drama

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 July 2011

14 Change of accounting policy

As stated on page 32 the policy in respect of matched funding has changed this year. Entitlement to income has been determined and there is now reasonable certainty that all matched funding earned will be received. The conditions of FRS 5 regarding recognition of income have therefore been satisfied and matched funding has been accounted for as earned.

The income was earned entirely in the two prior years. The prior year figures have been restated to include income of £227k and to increase creditors and debtors by £891k. The increase in creditors represents the additional amount that would have been included as disbursements to affiliates if the policy had been in place then.

In the current year the effect is to reduce income by £645k and increase debtors (HEFCE) and creditors (affiliates) by £246k.

15 Student support funds

	2011 £'000	2010 £'000
Balance at 1 August	-	-
HEFCE grants	18	19
Disbursed to affiliates	(18)	(19)
Balance at 31 July	-	-