



# Financial Statements

## 31 July 2012

---

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

Company number: 4170092  
Charity number: 1095623

THURSDAY



\*A23M82UW\*

A44

07/03/2013

#56

COMPANIES HOUSE

# Contents

Company Information	5
Report of the Board of Governors	6
Conservatoire Student Public Performances 2011-12	17
Statement of Responsibilities of the Board Of Governors	22
Corporate Governance Statement	23
Independent Auditors' Report to the Members of the Conservatoire for Dance and Drama	27
Income and Expenditure Account	29
Balance Sheet	30
Cash Flow Statement	31
Statement of Principal Accounting Policies	32
Notes to the Financial Statements	33

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

# Company Information

Governors (These are all company directors, charity trustees and members of the company)		James Smith CBE (Chairman) Prof Christopher Bannerman Rosemary Boot Kim Brandstrup Ralph Bernard Kit Brown Richard Cooper Christopher de Pury Ryan Densham Emily Fletcher Melanie Johnson	Nicholas Karelis Sir Tim Lankester Susannah Marsden Richard Maxwell Alison Morris Simon O'Shea Luke Rittner Anthony Smith Andrew Summers CMG Kathleen Tattersall OBE
Joint Principal (also Governors and Directors)		Prof Veronica Lewis MBE (Accountable Officer)	Edward Kemp
Clerk to the Board of Governors and Company Secretary		John Myerscough/Claire Jones (from Nov 27 2012)	
Registered Address		Tavistock House Tavistock Square London, WC1H 9JJ	
Affiliates	founding	London Contemporary Dance School (LCDS)	
		Royal Academy of Dramatic Art (RADA)	
	from 1 August 2003	Bristol Old Vic Theatre School (BOVTS)	
	from 1 August 2004	Northern School of Contemporary Dance (NSCD)	
	from 1 August 2005	Central School of Ballet (CSB)	
		Circus Space	
		London Academy of Music and Dramatic Art (LAMDA)	
		Rambert School of Ballet and Contemporary Dance (Rambert)	
Executive Director		Julie Crofts	
Finance Director		Karen Di Lorenzo	
Internal Auditor		Colin Sheanng	
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	
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 ended 31 July 2012. The Conservatoire for Dance and Drama is referred to as 'the Conservatoire' throughout these financial statements.

## Joint Principals' review of the year

The Conservatoire has a national and international role as a specialist institution for delivering practice-based education and training of artists and production professionals. Many of these graduates become leading performers, choreographers, designers and directors. Collectively, the Conservatoire schools offer around 40 undergraduate and postgraduate degree courses which enable students to focus on the daily practice of their discipline. They learn a craft which demands constant repetition to embody the technical skills which will unlock effective performance or provide the skills for design and stage management. This immersion is underpinned by reflective practice, context and critical thinking skills which support students as both interpreters and creators of art.

In 2012, the Olympic Games and Cultural Olympiad offered a unique professional experience for Conservatoire students and highlighted the significant contribution that its schools make not only to training artists but to the cultural infrastructure. Students and graduates from all eight Conservatoire schools were involved in the Opening and Closing Ceremonies. Dance students performed alongside NSCD alumnus Akram Khan and members of the Royal Ballet. Technical Theatre and Stage Management students were selected for roles working on the Ceremonies and the Games. Students from CSB performed specially commissioned pieces before several Olympic events and received outstanding reviews. Circus arts formed a strong focus of the Olympic Ceremonies, and the majority of the aerialists featured in the Opening Ceremony were part of the Circus Space community. Circus Space also ran an eight week intensive programme, funded by Arts Council England, to train 42 deaf and disabled artists for featured aerial roles in the Paralympics Opening Ceremony.

These activities were in addition to the day-to-day experience of learning and the extensive repertoire and performances presented by the affiliate schools across the country. A list of the principal productions and works is included at page 17 in this report. Performance is an essential part of how students learn, are taught and assessed. It is not viewed as an adjunct to study, but as an intrinsic part of the preparation of artists and production professionals. The student experience within the Conservatoire schools is characterised by regular and one-off opportunities for performance. In 2011-12 this included touring. Ballet Central (the third year touring company of CSB) participated in the Amsterdam ITS Festival for the first time, LAMDA productions played in Moscow and Paris and NSCD's postgraduate company Verve 12 enjoyed professional development opportunities. Rambert maintained its Cathedral Dance Project to include performances in outdoor spaces, and the first ever RADA Festival took place in July, which created performance opportunities for graduate companies. Conservatoire dance training was showcased in the City of London Festival, with CSB, LCDS and NSCD students performing on the steps of St Paul's Cathedral and surrounding locations.

Preparing students for a portfolio career is also a critical part of the educational experience, so LCDS's third year company LC3 delivered workshops for pre-vocational students outside of London, and BOVTS toured specially-adapted Shakespeare works to primary schools in inner city Bristol. Many of these particular activities were enabled by the Higher Education Innovation Fund, supported by HEFCE to assist institutions in realising the transfer of their knowledge base to the wider community creating financial and social capital.

The Conservatoire has made progress with the dissemination of its research outputs and in generating new research. The Conservatoire's Research Associate worked closely with RADA's Director of Technical Training to conduct an industry-wide Review of Technical Training funded by the Higher Education Academy. In the summer term, BOVTS and LAMDA presented the first joint showcase of student work in Film and TV Production. LAMDA hosted a New Writing Symposium in which playwrights discussed their experiences of working with students to create new work.

At the annual Staff Conference we were delighted to welcome Janet Smith, who joined us as Principal of NSCD in February 2012. The conference was well attended and the discussion and creative conversations between colleagues provoked a number of recommendations, one outcome of which was the creation of a Sustainability Working Group. Later in the year Circus Space was awarded 'Highly Commended' in the Green Gown Awards for its energy awareness campaign.

The Conservatoire's Mentoring Programme made good progress with the first inter-affiliate mentoring pairs established in the autumn term. A total of 24 staff completed a mentoring training day with an experienced professional trainer and 12 matches were set up by the end of the funded project. The programme will continue to develop with support from the Leadership Foundation.

The past academic year has also focused on preparation for the substantial change in funding and regulation from September 2012, including the introduction of significantly higher fees for home

and EU undergraduates, and we have responded positively to the consultation on institution-specific funding which is critical to the learning experience of our students. The Conservatoire has created a Conservatoire Scholarship Scheme (CSS) to support students commencing their training under the new regime. The Conservatoire has developed detailed information for prospective students about the financial support available and this year's application cycle has been closely monitored. In addition, the schools have laid groundwork to collect equality data at application as well as enrolment stage from 2012, which will allow more detailed analysis of applicant backgrounds, and the development of targeted widening participation and access measures.

The year ended with the wonderful news that Tim Roberts, Director of HE Programmes at Circus Space and co-Chair of the Conservatoire's Learning, Teaching and QA Committee, had been awarded a National Teaching Fellowship. This is the Conservatoire's second teaching fellow and a great recognition of Tim's work in creating higher education programmes in circus arts in the UK.

We would like, also, to pay tribute to Conservatoire governors, Katherine Farr (Chair of the Audit Committee), Dr Virginia Brooke and Stephanie Post who stepped down during the year. Katherine, in particular, has been a great force in shaping the governance structures of the Conservatoire and we are indebted to her for her time, knowledge and commitment to the organisation. We are also delighted that her association with the Conservatoire will continue as she joins the Board of RADA.

**Professor Veronica Lewis MBE**  
**Joint Principal and Accountable Officer**

**Edward Kemp**  
**Joint Principal**

# Operating Review

## Introduction

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.

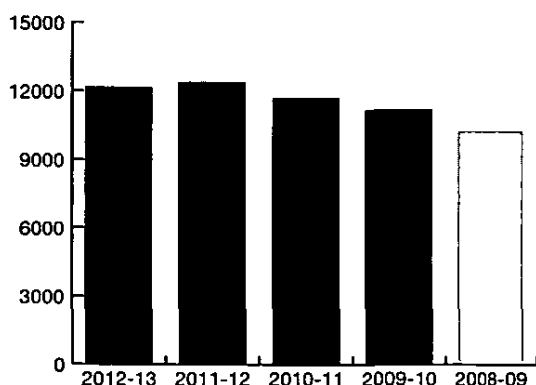
All affiliate schools, and the Conservatoire, adhere to the current (2010) HEFCE Financial Memorandum. The Conservatoire has also embarked on a review of its governing instruments, the adoption of an updated Financial Memorandum and Operating Agreement between the Conservatoire and affiliate schools should be completed early in the 2012-13 academic year.

## Student recruitment

We were concerned that the rise in fees could lead to a reduction in applications for 12-13. However, overall applications to the Conservatoire have held up well and there has been only a small drop in applications for 2012-13 entry. The phasing of applications has been spread more evenly across the year. This compares well to the rest of the HE sector, which experienced some 15% drop in application numbers.

These applications are for around 335 undergraduate and 100 postgraduate places each year.

**Chart A: Applications since 2007**



Overall demand for Conservatoire programmes therefore remains high, with an average of 28 students applying per place, and demand in certain disciplines, such as acting, remains extremely high with average application to place ratios of 100:1. All schools have recruited to target numbers (or slightly above) for 2012-13.

In 2006, the Conservatoire introduced a bursary scheme as part of its commitment to widening access in the face of increased student fees. This also provided data about the household income of bursary recipients and thus an insight into the Conservatoire's ability to recruit undergraduate students from lower-income families. Table B provides summary information.

**Table B: Bursary awards made to UK students (as a determinant of family income)**

Academic Year	2011-12	2010-11	2009-10	2008-09
Family income of £25,000 or less	249	222	222	185
Family income of £25,000 - £40,000	70	71	70	93
Total bursary recipients	319	293	292	278

Data on bursary recipients show a steady increase from 2008-09, particularly in the number of lowest income students in receipt of bursaries which have increased by a third in four years. The Conservatoire performs very well in the percentage of its student population which are classed as low income, outstripping the performance of Russell Group universities and all comparable conservatoires (source OFFA access agreement monitoring for 2010-11).

This presents a challenge for 2012-13 and a higher fee regime which may deter lower-income students.

The Conservatoire has consolidated its access spend into a new Conservatoire Scholarship Scheme which, from 2012-13, will provide a range of scholarships to be offered as fee discounts and maintenance awards to undergraduate students. Some financial support is means tested and some is based on talent and potential. Such flexibility enables the affiliate schools to create a package of financial support to enable students to take up their places. Early indications suggest that the Conservatoire has been successful in continuing to attract low income students to its courses. The bursary data collected since 2006 will provide a useful point of comparison to judge whether the new fee regime is having a negative impact on the recruitment of lower-income students.

## Student achievement and employment

Tables C and D provide comparative information about student performance over the past four years.

**Table C: Qualifications awarded**

	2011-12	2010-11	2009-10	2008-09
Total undergraduate level qualifications awarded	416	424	389	426
Total postgraduate degrees awarded	99	105	81	71

Table D summarises awards by classification. The classified awards percentages are in line with comparable conservatoire institutions, though above those of creative arts subjects across the HE sector. The Conservatoire's Academic Board reviews student performance in relation to these comparable institutions and also considers the opinion of external examiners. Conservatoire students' degree classifications are high relative to others, but this is consistent with our extensive audition procedures to identify the most talented applicants and high standards of professional training.

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

Year	First class	2:1	2:2	Third class
2011-12	21%	66%	12%	1%
2010-11	32%	55%	11%	2%
2009-10	17%	70%	10%	3%
2008-09	16%	68%	15%	1%
HESA Creative Arts for 2010-11 average	16%	50%	28%	7%

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

Student achievement in finding employment also provides evidence of the high calibre of Conservatoire graduates. The 2011-12 Conservatoire graduates found work with the following companies:

*Drama and circus graduates from 2011-12 are working with:* Apollo Theatre, Arcola Theatre, Batman Live, BBC, BBC Worldwide, Birmingham Rep, Canal Café Theatre, Gilles Defacque, ITV, Liverpool Playhouse, New Vic Theatre, NoFit State, Royal Shakespeare Company, Russell Beck Studio, Scarabeus, Sister Act, Southwark Playhouse, Stuttgart Stage, The Menier Chocolate Factory, The Old Laundry Theatre, The Pleasance Theatre, The Tricycle Theatre, The Young Vic, Vital Signs Theatre, *Viva Forever*, a new musical at the Piccadilly Theatre.

*Dance graduates from 2011-12 are working with:* Ballet Black, Bern Ballet, Birmingham Royal Ballet, Cape Town City Ballet, Children's Theatre Company, Danish Dance Theatre, European Ballet, ITDansa (Barcelona), James Wilton Dance Company, Jasmin Vardimon, K Ballet (Tokyo), Karnea Dance Company (Israel), Keneish Dance, London 2012 Olympics, Mad Dogs Dance Theatre, MotionHouse, Opera North, Peut-être, Phantom of the Opera (worldwide tour performing in Seoul, S. Korea, Manila, Philippines), Phoenix Dance Theatre, Protein Dance Company, Rambert Dance Company, Scottish Ballet, Scottish Dance Theatre.

## Equality and diversity

The 2011-12 academic year saw the introduction of new statutory obligations under the Equality Act. The Conservatoire used this as an opportunity to do two things: to produce a *Review of Progress and Achievements in Equality and Diversity, 2009-2011* and to publish an Equality Action Plan for 2012-15. The former document included both qualitative and quantitative information, for example interviews and research with black and minority ethnic group students. It showed improved practice in supporting students with specific learning difficulties and an increase in the numbers of students receiving Disabled Students' Allowance, and provided robust equality data on gender, ethnicity and disability.

An important aspect of equalities work in a small organisation is a programme of staff development. This year the Conservatoire has continued to offer an ongoing programme of staff training on mental health issues to individual affiliates, as well as cross-affiliate training on supporting students with Aspergers' syndrome/autism, helping dyslexic students with memorising movement sequences and line learning, and preventing and managing disordered eating in performing arts training.

## 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.

**Table E: NSS performance**

	2012	2011	2010	2009	2008
Conservatoire	4.4	4.4	4.2	4.3	4.1
HE sector	4.1	4.1	4.1	4.0	4.1

The Conservatoire consistently performs well in the National Student Survey. The scores above for 2012 translate into 91% of the student population expressing overall satisfaction with their programmes (compared to 85% national average). The Conservatoire is equal 10th in the UK league table and equal third in London institutions. The Conservatoire's Academic Board considers this data in conjunction with substantial qualitative student feedback gathered internally, at course and affiliate school level, and monitors how the data is used 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 its 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.

As shown below, 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 operates mechanisms to support young artists after graduation and assist in their development. 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 stem from weekly dance classes with local school children to "elders" companies 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 2011-12.

The report of the Joint Principals on pages 6 and 7 highlights some of the ways in which these objects have been achieved during 2011-12.

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

# Financial Overview

The Conservatoire produced a small deficit of £55k in the year (0.35% of expenditure). Of this, £44k was used for bursary funding, and £11k was for additional costs relating to the restructuring of the Finance service. This compares to a surplus in 2010-11 of £74k.

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% and 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.

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

**Table F: Reserves**

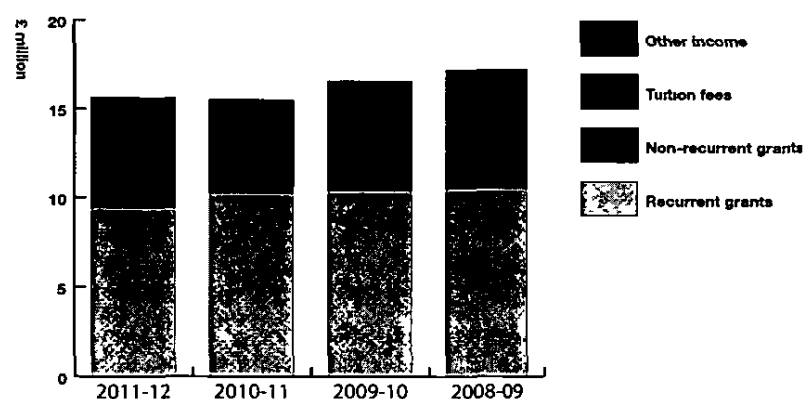
	2011-12	2010-11	2009-10	2008-09
Reserves	£615k	£669k	£595k	£714k
As % of expenditure	3.9%	4.3%	3.5%	4.4%
As % of income	3.9%	4.3%	3.5%	4.4%
In days	16 days	16 days	13 days	16 days
Current ratio	5.6:1	2.1:1	3.4:1	2.3:1
External borrowing	nil	nil	nil	nil

Although the Conservatoire operates in the public sector, the schools themselves are not wholly reliant on public funding for their activities. The public funding does not cover the full cost of training and schools are therefore 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 £6k in 2011-12 compared with £7k in 2010-11, and £25k miscellaneous income in 2011-12 for research and other projects.

**Table G: Income**



**(a) Income: Funding Council grants**

The table below provides details of HEFCE recurrent and non-recurrent grants. Non-recurrent grants comprise the Higher Education Innovation Fund (HEIF), HEFCE Grant Moderation and Access to Learning Fund. The recurrent grant in 2011-12 reduced in line with government decisions to move towards a student funded model for higher education, and the reduction was offset by an increase in fee income.

**Table H Funding Council Grants**

	2011-12		2010-11	
	£'000	proportion of total income	£'000	proportion of total income
HEFCE - recurrent grants	9,381	60.0%	10,213	65.8%
HEFCE - non-recurrent grants	764	4.9%	250	2.4%

**(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. These fees are recognised in the Conservatoire's accounts.

## Expenditure

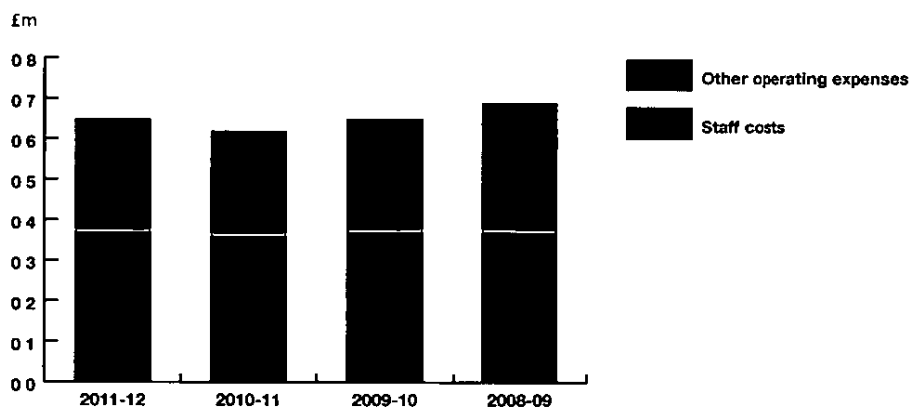
### (a) Disbursements to affiliates

The Conservatoire aims to keep central administration costs below 5% of total income, in order to maximise the amount of resource available for teaching (see notes 5 and 6 to the accounts). To allow fair comparison, data on disbursements in these accounts includes fees paid directly to affiliate schools by Conservatoire students as well as fees paid through the Student Loans Company to CDD.

### (b) Other expenses

Operating costs, comprising staff costs and other operating expenses, totalled £649k or 4.2% of total income (2010-11 £628k or 4.0%).

Table I: Other expenses



The Conservatoire established its bursary fund in 2006. In 2011-12 all qualifying students received bursaries. Bursary costs in the year totalled £476k (2010-11 £490k). Three quarters of students in receipt of bursaries received the full bursary.

The Conservatoire itself has no borrowings or estate.

### (c) Capital expenditure

Any 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 risk' category. Institutions are informed of their risk status. In 2011-12 the Conservatoire was considered by HEFCE to be 'not 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 has identified fifteen principal risks. The change to higher education funding from September 2012, and preparations for this, have increased existing risk areas (for example the impact on grant funding) and introduced new risks (for example, the risk associated with fee income delivered through the Student Loans Company). A new regime, with significantly higher fees, has also had an impact on the risks around student recruitment, especially focused on the quality and diversity of applicants. Registration data indicates that the Conservatoire has not seen the reduction in the number of students taking up places that has been experienced elsewhere in the HE sector, but it is too early to judge equality data.

The other group of principal risks focus on maintaining effective corporate governance in a changing regulatory environment, and the heightened risk rating represents a desire for closer scrutiny and monitoring of these arrangements. The actions taken during 2011-12 in relation to risk have been focused on establishing robust systems to manage the changing environment. This is something that the Conservatoire executive and Board will continue to keep under close observation.

Looking ahead, the Conservatoire recognises the risk that the ongoing review of institutional specific funding could reduce grant income from 2013/14. Any reduction could impact the learning and teaching environment for our students, so we are providing HEFCE with evidence of the importance of the funding to the successful delivery of our education provision.

## Auditors

Deloitte LLP were appointed as auditors in 2011.

## Disclosure of Information to Auditor

At the date of making this report each of the company's directors in office, as set out overleaf (page 16) confirm the following:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is 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 auditor is 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
James Smith CBE (Independent)	24 November 2010 (appointed as Chair, 23 March 2011) (Member of Finance Committee and Chair of Nominations Committee)
Prof Veronica Lewis MBE (Joint Principal)	1 August 2001 (Member of Finance Committee and Nominations Committee)
Katherine Farr (Independent Governor)	7 October 2002 (Chair of Audit Committee), resigned 23 November 2011
Dr Virginia Brooke (Affiliate nominee)	14 December 2004, resigned 31 July 2012
Luke Rittner (Affiliate nominee)	14 December 2004
Prof Christopher Bannerman (Independent Governor)	16 March 2005 (Member of Nominations Committee)
Melanie Johnson (Independent Governor)	13 July 2005 (Member of Audit Committee and Nominations Committee)
Andrew Summers CMG (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 (Member of Finance Committee)
Stephanie Post (Independent Governor)	15 July 2008, resigned 20 June 2012
Su Dean (Staff Governor)	26 November 2008, resigned 20 July 2011
Sharon Coleman (Staff Governor)	26 November 2008, resigned 26 November 2012
Edward Kemp (Joint Principal)	1 December 2010 (Member of Finance Committee and Nominations Committee)
Christopher de Pury (Independent)	24 March 2010
Paul Holloway (Student Governor)	24 November 2010, resigned 23 November 2011
Richard Cooper (Affiliate nominee)	20 July 2011
Kathleen Tattersall OBE (Affiliate nominee)	20 July 2011
Siân Rowlands (Student Governor)	23 November 2011, resigned 27 November 2012
Richard Maxwell (Staff Governor)	23 November 2011
Rosemary Boot (Independent Governor)	24 November 2011 (Member of Finance Committee)
Alison Morris (Independent Governor)	24 November 2011 (Chair of Audit Committee)
Emily Fletcher (Independent Governor)	18 July 2012

# Conservatoire Student Public Performances 2011-12

(for information and not part of the audited accounts)

## Bristol Old Vic Theatre School

*Hard Times* by Charles Dickens, adapted by Malcolm McKee, directed by Sue Wilson Additional music & lyrics by Malcolm McKee  
*Mother Goose* directed by Clive Hayward  
*The Nativity* written and directed by Kim Durham  
*Twelfth Night* by William Shakespeare, directed by Toby Hulse and Emma Earle  
*Macbeth* by William Shakespeare, directed by John Hartoch  
*Wicked Women* by Malcolm McKee and Sue Wilson, directed by Sue Wilson  
*Time and the Conways* by J B Priestley, directed by Jenny Stephens  
*Cold Comfort Farm* adapted from the novel by Stella Gibbons, directed by Christopher Scott  
*Disco Pigs* by Enda Walsh, directed by Anna Simpson  
*Knives in Hens* by David Harrower, directed by Iain McDonald  
*The Yalta Game* by Brian Friel, directed by Timothy Howe  
*After the End* by Dennis Kelly, directed by Ellie Trevitt  
*Dancing at Lughnasa* by Brian Friel, directed by Sue Wilson  
*The Good Soul of Szechuan* by Bertolt Brecht, directed by Patrick Sandford  
*The Rover* by Aphra Behn, directed by Kim Durham

## Central School of Ballet

End of Year performances  
*Insinuate*, choreography Leanne King and Sara Matthews  
*Alma Española*, choreography Sherrill Wexler  
*Autumn*, choreography William Cooper  
*Fairy Doll Pas de Trois*, choreography N Legat and S Legat  
*Caprice*, choreography Linda Moran  
*Transient Passion*, choreography Resmi Malko  
*287 and Yellow*, choreography Leanne King  
*Footloose*, choreography Phillip Aiden

Ballet Central  
*Circle of 5*, choreography Mikaela Polley  
*Code*, choreography Sharon Watson  
*And Then Their Hopes Soared*, choreography Sara Matthews  
*Encuentros*, choreography Sherrill Wexler  
*Tangoesque*, choreography Phillip Aiden  
*Six Chamber Dances*, choreography David Fielding  
*Celebration*, choreography Christopher Gable  
*"Whodunnit?"*, choreography Matthew Hart  
*'Extracts' from Le Corsaire*, choreography Pepita

#### Olympic Games performances

*Clocks*, choreography Sara Matthews and Leanne King  
*Common People*, choreography Andrew McNicol  
*Boys Keep Dancing*, choreography Sara Matthews and Leanne King  
*Code*, choreography Sharon Watson  
*And Then Their Hopes Soared*, choreography Sara Matthews

#### Design for Dance performances at the Platform Theatre

*Alter Ego*, choreography Bethany Pike  
*Invincible Spirit*, choreography Abigail Bulfin  
*Finding Equilibrium*, choreography Carys Appleby  
*Droplet in Time*, choreography Jennifer Layton  
*Transient*, choreography Laura Boulter  
*Infinite Ellipsis*, choreography Tom Brodenck  
*Eclipse*, choreography Reece Caulston

#### Other performances

City of London Festival, choreography Nina Rajarani  
Compass worked with dancers from Pina Bausch Company  
Performance with YDE / Young Creatives *Alter Ego* (Choreography Bethany Pike)

## Circus Space

#### Second Year BA (Hons)

*Up Sky Down* ensemble performance, directed by Melissa Ellberger

#### Third Year BA (Hons) and Postgraduates

*Take Your Seats* ensemble performance, directed by James Doyle-Roberts  
Residency and performance at the Watch This Space festival  
BA (Hons) Third Year and Postgraduate Devised Pieces

## London Academy of Music and Dramatic Art

*Terra Nova* by Ted Tally, directed by Raz Shaw  
*Cressida* by Nicholas Wright, directed by John Baxter  
*Pride and Prejudice* adapted by David Pownall from the novel by Jane Austen, directed by John Bashford  
*Twelfth Night* by William Shakespeare, directed by Bill Alexander  
*The Merry Wives of Windsor* by William Shakespeare, directed by Deborah Paige  
*Racing Demon* by David Hare, directed by Tom Hunsinger  
*Dinner* by Moira Buffini, directed by Peter James CBE  
*The Astronomer's Garden* by Kevin Hood, directed by Penny Cherns  
*A Funny Thing Happened on the Way to the Forum* Music and Lyrics by Stephen Sondheim, Book by Burt Shevelove & Larry Gelbart, Originally produced on Broadway by Harold Prince, Directed by Rachel Kavanaugh  
*Europe* by David Greig, directed by Mark Babych  
*How to Disappear Completely and Never Be Found* by Fin Kennedy, directed by Matt Peover  
*The Threepenny Opera* Music by Kurt Weill, Book & Lyrics by Bertolt Brecht, English Adaptation by Marc Blitzstein  
Directed by Joanna Read  
*Julius Caesar* by William Shakespeare, directed by Rodney Cottier



*Wild Turkey* by Joe Penhall, directed by John Baxter  
*Spring and Port Wine* by Bill Naughton, directed by Sarah Esdaile  
*Festen* by David Eldridge, directed by Caroline Leslie  
*Borders of Paradise* by Sharman Macdonald, directed by James Kerr  
*The Game of Love and Chance* by Pierre Marivaux, translated by Stephen Mulrine, directed by Phillip Breen  
*One Turbulent Ambassador* by Robin Soans, directed by Jessica Swale  
*The School for Wives* by Moliere, translated by Ranjit Bolt, directed by Stephen Jameson  
*The Second World* by Tim Luscombe, directed by Tim Luscombe  
*The Angel Tide* by Lisa Evans, directed by Gwenda Hughes

## London Contemporary Dance School

Specifically commissioned and remounted works by internationally celebrated choreographers for performance on the LC3 tour and at the Graduation performances

*A Ceremony of Carols*, choreography Richard Alston  
*Inner Orbit*, choreography Rick Nodine  
*gojubi*, choreography Janice Garrett  
*Breaking Trail*, choreography Sasha Roubicek

EDge, the postgraduate performance company of London Contemporary Dance School (touring repertoire)

*Dances with Purpose*, choreography Matthias Sperling  
*Through Shards*, choreography James Wilton  
*String Quartett Nr 1*, choreography Sasha Waltz  
*Rite for Richard\**, choreography Rachel Lopez de la Nieta  
*Unleashed\**, choreography Tony Adigun

\**Rite for Richard* and *UNLEASHED* were commissioned by The Place and Dance Umbrella for *Alston Takes Cover*

LC3, a touring programme of dance by graduating students

*Opsimath*, choreography Michael Kelland  
*2PM*, choreography Tom Peacock & Andrea Dorelli  
*Persecuted & Forgotten*, choreography Eliot Smith  
*So Human*, choreography Drew Hawkins & Claire Lefevre  
*(dis)connected*, choreography Andy Macleman  
*A Change of Heart*, choreography Chris Scott & Gemma Shrubbs  
*We can't all, and some of us don't*, choreography Jessica Sim  
*Amistad*, choreography Monique Smith & Emily Crouch  
*Under growth*, choreography Andrew Bennett  
*TV*, choreography Man Colbert & Chloe Mead  
*The Fallen*, choreography Chris Scott  
 Problems made pointless, improvisation collective Man Colbert, Chloe Mead, Drew Hawkins, Claire Lefevre, Charlie Hendron, Thomas Peacock

Spring projects

*He alone, who own the youth, gains the future*, choreography Robin Dingemans  
*Improvisation*, facilitated by Seke Chimutengwende

Collaborations with Wimbledon College of Art

*Evene*, choreography Ellen Johansson Designer Rosalind Wilson  
*Maligna*, choreography Michael Kelland Designer Emily Howard

*Colourbotation*, choreography Mansoor Ali Designer Seth Rook Williams  
*To Echo*, choreography Charlie Hendren Designer Emma Bairstow  
*Creme Anglaise*, choreography Claire Lefevre Designer Cory Roberts  
*I Am Just A Point*, choreography Gemma Shrubbs

Collaborations with Guildhall School of Music & Drama

*Combined Presence*, choreography Andrew Bennett Composer Helgi R Ingvarsson  
*MeigraargieM*, choreography Lara Hollander Composer Marta Lozano Molano  
*Fracture*, choreography Thomas Peacock Composer Louis Chiappetta  
*Festoon*, choreography Jessica Sim Composer Theodoros Chatzidis  
*Switch*, choreography Drew Hawkins Composer Mark Simpson  
*Ethics of Play*, choreography Chrs Scott Composer Rae Howell

Student choreography, performed throughout the year

*Flummox*, choreography Andy Macleman  
*Blind Desert*, choreography Mansoor Ali & Joel Tulley  
*The Gravity Above*, choreography Chrs Scott  
*Body Factory*, choreography Mansoor Ali  
*Accomplices*, choreography Fionn Cox-Davies, Camila Gutiérrez  
*Exchange*, choreography Harlan Rust  
*Ton and Francesco – Contemporary*, choreography Nina Louise von der Werth  
*Vy khotite, chtoby tantsevat' so mnoi?*, choreography Louise Lloyd, Ivan Oltramani

PG Choreography students

*Self*, choreography Lindy Nsingo  
*One Child*, choreography Peishan Chew in collaboration with  
Rata Thuvasin, Rebecca Thomas, Evi Chatzaki, Pavia Varakova, Angeliki Gouvi  
*Will It Fade?*, choreography Mara Vivas

## Northern School of Contemporary Dance

Graduation performances and Student Showcases

*Slant*, choreography Andrea Buckley  
*Delicate Strings*, choreography Kathinka Walter (in collaboration with the students)  
*Clothe/Unclothe*, choreography Rita Marcalo  
*Weak Spot*, choreography Colin Poole  
*Thirteen Steps*, choreography Sonia Rodriguez

Verve 2012, postgraduate performance company of NSCD

*Vertical Road*, choreography Akram Khan  
*Dynamo*, choreography Lea Anderson  
*Dark in the Afternoon*, choreography James Cousins  
*Let go*, choreography Milan Kozánek  
*For Dear Life*, choreography Jordan Massarella

## Rambert School of Ballet and Contemporary Dance

Performances at the Linbury Studio Theatre, Royal Opera House  
Student choreography

Performances at the Lilian Baylis Studio, Sadlers Wells Theatre  
Student choreography

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

## Royal Academy of Dramatic Art

*One Minute* by Simon Stephens, directed by Hanna Berrigan  
*The House of Special Purpose* by Heidi Thomas, directed by Jessica Swale  
*Mysteres* by Tony Harrison, directed by Seb Harcombe  
*Dealing With Clair* by Martin Crimp, directed by Philip Wilson  
*Ashes and Sand* by Judy Upton, directed by Jonathan Moore  
*The Maids* by Jean Genet, directed by Melanie Jessop  
*Saturday Night* by Stephen Sondheim, directed by Geoff Bullen  
*From Both Hips* by Mark O'Rowe, directed by Donnacadh O'Brian  
*The Brothers Karamazov* by Fyodor Dostoevsky, directed by Sue Dunderdale  
*Divine Words* by Ramón María del Valle-Inclán, directed by Paul Hunter  
*Stars in the Morning Sky* by Alexander Galin, directed by Jonathan Cullen  
*You Never Can Tell* by Bernard Shaw, directed by Eve Shapiro  
*Cymbeline* by William Shakespeare, directed by Nona Shepphard  
*Masked* by Ilan Hatsor, directed by Alon Tiran  
*Penetrator* by Anthony Neilson, directed by Matthew Monaghan  
*The Merchant of Venice* and *The Canterbury Tales* by William Shakespeare and Chaucer, directed by Nona Shepphard

# 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 directors 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 for Dance and Drama will continue in operation.

The Board of Governors is responsible for keeping adequate accounting records that are sufficient to show and explain The Conservatoire for Dance and Drama's transactions and disclose with reasonable accuracy at any time the financial position of The Conservatoire for Dance and Drama 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

27 November 2012

# CORPORATE GOVERNANCE STATEMENT

For the year ended 31 July 2012

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 (the most recent being adopted in March 2011).

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 and schools work to the HEFCE Financial Memorandum (2010). Updated versions of these documents are to be signed in the 2013-13 academic year.

## 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 22.

## 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 oversees all matters relating to the financial and business concerns of the Conservatoire and makes recommendations to the Board of Governors on appropriate 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.

The Finance Committee held four meetings during 2011-12.

## Audit Committee

The Committee comprises a Chair, who is an independent member of the Board of Governors, with at least two further independent Governors. The existing Audit Committee chair's tenure ended during 2011-12 and one other member of the Audit Committee resigned in June 2012. A new member joined the Committee and took over as Chair during

the year and a third member will be appointed as soon as possible in 2012-13. 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 to ensure data control, 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 exercised in 2011-12 to extend membership to the Conservatoire's Academic Registrar.

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 responsible for the management of the academic standards of the awards to be conferred by the validating universities. 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 two committees supporting its work: the Learning Teaching and Quality Assurance Committee, and the 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 and held 3 meetings in 2011-12.

## 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. As no such member of staff exceeds this remuneration it has not been necessary for this Committee to meet.

## Principals' Management Group

The two Joint Principals carry out the responsibilities as Chief Executive of the Conservatoire, and are 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 staff attend these meetings which are held three or four times each term. The Joint Principal and Executive 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 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 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 2011 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 the risk around financial controls was heightened as a result of changes to the finance function (including no permanent finance director). This situation has been effectively managed, and with subsequent reviews by our internal auditor and the new finance director, the risk within the finance function has been resolved.

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 the standards and quality

of academic programmes leading to higher education awards, through a quality framework defining the roles and responsibilities of CDD and 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,
- comprehensive Financial Regulations and Procedures, detailing financial controls and procedures approved by the Board,
- 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 Conservatoire and affiliate schools 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
- affiliate schools 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

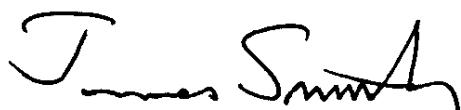
- the Conservatoire has in place policies and procedures set by the Board of Governors and communicated by senior management to staff. Written procedures support the policies where appropriate and there is an on-going programme of risk awareness training for staff,
- risk management is embedded into 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, 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

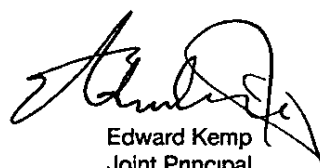
- the work of the Principals' Management Group within the Institution, which has responsibility for the development and maintenance of the internal control framework,
- the work of the in-house internal auditor, who operates to standards defined in the HEFCE Accountability and Audit Code of Practice,
- 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



Prof Veronica Lewis MBE  
Joint Principal and  
Accountable Officer



Edward Kemp  
Joint Principal

27 November 2012



# 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 2012 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 14. 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 2012 and of its deficit 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 2012 have been applied for the purposes for which they were received, and
- in all material respects, income during the year ended 31 July 2012 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*

Matthew Hall FCA (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
St Albans, United Kingdom  
29 November 2012

# The Conservatoire for Dance and Drama

## INCOME AND EXPENDITURE ACCOUNT for the year ended 31 July 2012

	Note	2012 £	2011 £
<b>Income</b>			
Funding council grants	2	10,286	10,599
Tuition fees	3	5,314	4,915
Interest receivable		6	7
Donations		1	1
Miscellaneous income		25	2
<b>Total income</b>		<b>15,632</b>	<b>15,524</b>
<b>Expenditure</b>			
Allocations to affiliates	4	14,562	14,332
Bursary fund	12	476	491
Staff costs	5	370	363
Other operating expenses	6	279	265
<b>Total expenditure</b>		<b>15,687</b>	<b>15,450</b>
<b>Retained (deficit)/surplus for the period</b>		<b>(55)</b>	<b>74</b>

The income and expenditure account is in respect of continuing activities for the year ended 31 July 2012

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

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

The notes on pages 33 to 39 form part of these financial statements


# The Conservatoire for Dance and Drama

## BALANCE SHEET as at 31 July 2012

<b>Company number: 04170092</b>	<b>Note</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Tangible assets	7	<u>12</u>	<u>9</u>
<b>Current assets</b>			
Debtors	8	38	274
Cash at bank	10(d)	<u>711</u>	<u>988</u>
		749	1,262
<b>Creditors: Amounts falling due within one year</b>	9	<u>133</u>	<u>592</u>
<b>Net current assets</b>		616	670
<b>Creditors: amounts falling due after one year</b>		-	-
<b>NET ASSETS</b>		<u>628</u>	<u>679</u>
 <b>Deferred capital grant</b>	13	13	10
 <b>Reserves</b>			
General reserve	11	615	669
<b>TOTAL FUNDS</b>		<u>628</u>	<u>679</u>

The notes on pages 33 to 39 form part of these financial statements


The financial statements were approved and authorised for issue by the Board of Governors on 27 November 2012 and signed on its behalf by:



James Smith CBE  
Chairman of the Board



Prof 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 2012

	Note	2012 £	2011 £
Net cash (outflow)/inflow from operating activities	10(a)	(275)	170
Returns on investments and servicing of finance	10(b)	6	7
Capital expenditure to acquire tangible fixed assets	10(c)	(8)	(3)
(Decrease)/increase in cash in the period	10(d)	<u>(277)</u>	<u>174</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
(Decrease)/increase in cash in the period		(277)	174
Net funds at 1 August		<u>988</u>	<u>814</u>
Net funds at 31 July	10(d)	<u>711</u>	<u>988</u>

The notes on pages 33 to 39 form part of these financial statements

# The Conservatoire for Dance and Drama

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES for the year ended 31 July 2012

### 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.

### 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%

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

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2012

### 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:

	2012 £'000	2011 £'000
Higher Education grants	9,527	9,788
Other payments in respect of staff, services etc		
London Contemporary Dance School	36	36
Royal Academy of Dramatic Art	6	6
Bristol Old Vic Theatre School	-	-
Northern School of Contemporary Dance	-	-
Circus Space	-	-
Central School of Ballet	-	-
London Academy of Music and Dramatic Art	-	-
Rambert School of Ballet and Contemporary Dance	-	-
	<u>9,569</u>	<u>9,830</u>

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

London Contemporary Dance School	36	64
Royal Academy of Dramatic Art	6	56
Bristol Old Vic Theatre School	-	35
Northern School of Contemporary Dance	3	29
Circus Space	-	19
Central School of Ballet	-	42
London Academy of Music and Dramatic Art	-	43
Rambert School of Ballet and Contemporary Dance	-	20
	<u>45</u>	<u>308</u>

# The Conservatoire for Dance and Drama

## NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 July 2012

### 2 Funding Council grants

	Note	2012 £'000	2011 £'000
<b>HEFCE</b>			
Recurrent grants		9,381	10,213
Selective initiatives		764	250
Capital grants received		3	52
Deferred grant released in year	13	6	3
Capital grant deferred	13	(9)	(3)
Capital grant deferred - current liabilities	9	-	(45)
		<u>10,145</u>	<u>10,470</u>
<b>Further Education</b>			
Grants receivable		<u>141</u>	<u>129</u>
		<u>10,286</u>	<u>10,599</u>

### 3 Tuition fees

Fees for students in all years, charged under the top-up fees arrangements introduced in 2006-07 (£3,375 in 2011-12, £3,290 in 2010-11), 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 Allocations to affiliates

	2012 £'000	2011 £'000
London Contemporary Dance School	2,309	2,306
Royal Academy of Dramatic Art	2,151	2,202
Bristol Old Vic Theatre School	2,007	1,999
Northern School of Contemporary Dance	2,086	2,043
Circus Space	790	766
Central School of Ballet	1,424	1,407
London Academy of Music and Dramatic Art	2,333	2,239
Rambert School of Ballet and Contemporary Dance	<u>1,437</u>	<u>1,370</u>
	<u>14,537</u>	<u>14,332</u>
Disbursed by CDD on behalf of affiliates	25	-
	<u>14,562</u>	<u>14,332</u>



# The Conservatoire for Dance and Drama

## NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 July 2012

Allocations to affiliates comprises income received as follows:	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Recurrent grant from HEFCE	9,174	9,553
Specific grants from HEFCE	354	235
Further education grants	141	129
Tuition fees - UK and EU students	3,555	3,382
Tuition fees - overseas students	1,758	1,533
Bursary fund contributions	(445)	(500)
	<u>14,537</u>	<u>14,332</u>

As described in note 1, the affiliates are related parties

### 5 Staff costs

	<b>2012</b>	<b>2011</b>
	<b>no.</b>	<b>no.</b>
Staff – full time	4	4
Staff – part time	8	8
	<b>£'000</b>	<b>£'000</b>
Direct salary costs	264	283
Social security costs	29	29
Other direct staff costs	34	51
	<u>327</u>	<u>363</u>

Amounts payable to affiliates in respect of the Joint

Principals	<u>42</u>	<u>42</u>
------------	-----------	-----------

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. No expenses were claimed by the Principals during the year, (2010-11 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 2012

### 6 Other operating expenses

	2012 £'000	2011 £'000
Office expenses	67	59
Premises	61	62
Subscriptions	45	45
Consultants	47	45
Project costs	29	25
Fees payable to the company's auditor for the audit of the company's external accounts	17	17
Communications	7	8
Depreciation	5	3
Bank charges	1	1
	<u>279</u>	<u>265</u>

### 7 FIXED ASSETS

	Fixtures & Fittings £'000	Computer Equipment £'000	Total £'000
<b>At cost</b>			
At 1 August 2011	20	-	20
Additions	-	8	8
At 31 July 2012	<u>20</u>	<u>8</u>	<u>28</u>
<b>Depreciation</b>			
At 1 August 2011	11	-	11
Charges for the year	2	3	5
At 31 July 2012	<u>13</u>	<u>3</u>	<u>16</u>
<b>Net book value</b>			
At 31 July 2012	<u>7</u>	<u>5</u>	<u>12</u>
At 31 July 2011	<u>9</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

	2012 £'000	2011 £'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 2012

### 8 Debtors

	2012 £'000	2011 £'000
Prepayments	30	26
Matched funding due	-	246
Other debtors	8	2
	<u>38</u>	<u>274</u>

### 9 Creditors amounts falling due within one year

	2012 £'000	2011 £'000
Amounts due to affiliates (see note 1)	45	308
Allocations pending	21	165
Deferred grant	-	71
Social security and taxation	8	8
Other creditors	20	25
Accruals	39	15
	<u>133</u>	<u>592</u>

### 10 Notes to the Cash Flow Statement

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

	Note	2012 £'000	2011 £'000
(Deficit)/surplus for the year		(55)	74
Decrease in debtors and prepayments		237	645
Decrease in creditors		(459)	(545)
Bank interest received included in income		(6)	(7)
Depreciation	7	5	3
Capital grant deferred	13	9	3
Deferred capital grant released	13	(6)	(3)
Net cash (outflow)/inflow from operating activities		<u>(275)</u>	<u>170</u>

#### (b) Returns on investments and servicing of finance

	2012 £'000	2011 £'000
Bank interest receivable	6	7
Net cash inflow from returns on investments	<u>6</u>	<u>7</u>

# The Conservatoire for Dance and Drama

## NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 July 2012

### (c) Capital expenditure

		2012 £'000	2011 £'000
Expenditure to acquire fixed assets	7	<u>8</u>	<u>3</u>
		8	3

### (d) Analysis of changes in net funds

		2012 £'000	2011 £'000
Cash at bank			
Balance at 1 August		988	814
Cash flows		<u>(277)</u>	<u>174</u>
Balance at 31 July		<u>711</u>	<u>988</u>

### 11 Reserves

		2012 £'000	2011 £'000
Income and expenditure account			
At 1 August		669	595
(Deficit)/surplus for the year		<u>(55)</u>	<u>74</u>
At 31 July		<u>615</u>	<u>669</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. Total disbursements were £476k in 2011-12 and £491k in 2010-11. The balance is kept within the income reserve.

# The Conservatoire for Dance and Drama

## NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 July 2012

### 13 Deferred capital grant

	2012 £'000	2011 £'000
Balance at 1 August	10	10
Deferred in year	9	3
Released to income and expenditure account	(6)	(3)
Balance at 31 July	<u>13</u>	<u>10</u>

### 14 Student support funds

	2012 £'000	2011 £'000
Balance at 1 August	-	-
HEFCE grants	-	18
Disbursed to affiliates	-	(18)
Balance at 31 July	<u>-</u>	<u>-</u>