

RAMBERT SCHOOL OF BALLET AND CONTEMPORARY DANCE
Financial Statements for the year ended 31 July 2020

Company number 4713720
Charity number 1098900

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KEY MANAGEMENT PERSONNEL, BOARD OF TRUSTEES AND PROFESSIONAL ADVISORS

Key management personnel	Key management personnel are defined as the Board and the members of the Senior Management Team and were represented by the following in 2019/20: Amanda Britton, Principal Clare Buckle, Chief Operating Officer Grace Campbell, Head of Administration Darren Ellis, Deputy Principal Phaedra Petsilas, Head of Studies
Board of Governors	Louise Verrill (Chair – appointed as a trustee on 6.4.20 and as Chair on 10.7.20) Richard Cooper (Chair - retired as Chair and as trustee on 10.7.20) Rachel Avery Sarah Campbell Sophie Caruth Assis Carreiro MBE David Cazalet Deirdre Chapman Gary Crotaz Hope Keelan (retired 31.12.19) Holly Larrett Frances Prenn Ian Stanley (appointed 7.4.20) Katie Thorpe
Patrons	Lady Anya Sainsbury CBE Robert Cohan CBE
Principal, Artistic Director and Accountable Officer	Amanda Britton
Finance Director and Company Secretary	Clare Buckle
Registered Office and principal address	Clifton Lodge St Margarets Drive Twickenham TW1 1QN
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Coutts & Co 440 Strand London WC2R 0QS Virgin Money plc Jubilee House Gosforth Newcastle upon Tyne NE3 4PL Nationwide Building Society Nationwide House Pipers Way Swindon SN38 1NW
Website	www.rambertschool.org.uk
Charity registration number	1098900
Company registration number	4713720

MESSAGE FROM THE CHAIR OF THE BOARD

It was with great pleasure that I took on the role of Chair of Rambert School on 10 July 2020, having been appointed as trustee in early April. I have been passionate about dance and an advocate for dance education for very many years. I am conscious that I have become Chair at a critical time for the School, with all the uncertainty Covid-19 has brought, and the responsibility of leading the Board of Trustees over the coming years is one I take very seriously but with great enthusiasm. It is an honour to be a custodian of the Marie Rambert vision and brand.

Sincere and heartfelt thanks must go to Richard Cooper who stepped down having served as Chair for nine years. He saw the School through a transformative period with great dedication and great care. He will be much missed, though I am sure will take great comfort in both the way the school is run today and the opportunities it has before it. In particular I would like to thank Richard for his time and patience when handing over the reins to me.

Student experience

137 students finished this academic year, from 17 different countries. Value for money for our students and our funders, primarily the Office for Students, continues to be at the forefront of our minds, even more so given the impact of Covid-19. In March, when the School was required to close its doors, a full digital timetable was developed to provide students with online delivery of the curriculum for the summer term. Since September a mixed mode timetable has been in place, delivering a balance of live in-studio and online classes.

In the National Student Survey ('NSS') for this challenging year a remarkable 92% of our students on the degree programme registered overall satisfaction with the quality of their course (2019: 98%), with 95% expressing approval of the teaching of their course (2019: 97%) and 100% agreeing that their course had challenged them to achieve their best work (2019: 93%). As a member of the Conservatoire for Dance and Drama (CDD), the School was delighted to learn in July last year that CDD had again been awarded Gold status under the government's Teaching Excellence Framework, having been confirmed as a provider of world-leading teaching.

The School's estate has been enhanced further this year, with a complete refurbishment of the Anya Linden Studio Theatre, including an update of all sound and lighting equipment. The total costs of this were £342,873 and were funded from the School's reserves and a generous grant from the Linbury Trust.

Finance and funding

I am pleased to report a surplus for the year to 31 July 2020 of £353,181. This is a remarkable result given the challenges the School faced during the year, with a temporary closure due to the coronavirus pandemic and the launch of a new commercial joint venture, Rambert Grades – more on this below. While some of this surplus relates to restricted income for the capital campaign, the net increase in general reserves is £119,063 and there has been an increase in cash balances of £168,059. These increases will allow the School to continue its investment in its students and staff, its buildings and the equipment needed to deliver its academic

strategy. Strong student recruitment and robust finances, including cash balances, continue to be two of the School's key strengths.

The School continues to face challenges associated with operating in the Higher Education sector as, although its specialist institution government funding for 2020/21 has been confirmed, funding is uncertain thereafter. If it is not renewed beyond 31 July 2021, the School's income will drop by 17%, causing significant financial pressures. Reducing the School's reliance on this government funding, through the diversification of income streams and managing the School's limited resources, remains a priority.

To this end the School has invested in a commercial joint venture, Rambert Grades, to develop a graded exam syllabus for contemporary dance, which will embrace technical training, creative work and improvisation, with performance elements. The School and its joint venture partner Rambert dance company signed the legal agreements on 10 July this year, investing equally in share and loan capital. Rambert Grades achieved accreditation from OfQual earlier in the year and, following a pilot year of training in 2019/20, a full launch will take place at the end of October this year. The level of interest in Rambert Grades from both teachers and dancers has been phenomenal.

Also, on 10 July this year, both the School and Rambert dance company transferred their individually registered RAMBERT trademarks into a jointly owned trademark holding company, allowing them to be managed and protected jointly going forward.

Centenary celebrations

2020 marks the School's centenary and although a series of celebratory performances and events has had to be postponed, we hope to pick up and continue with our celebrations in 2021. Meanwhile, we are preparing the School for the next 100 years, working on plans to achieve financial sustainability and to reduce our dependence on those funding streams over which we have limited control.

Support

I would like to express sincere thanks to our Patrons Lady Anya Sainsbury and Sir Robert Cohan. Anya, who stepped down from the Board of Trustees in June 2016 after nearly sixteen years, has been at the centre of the School's development for all those years and more, and much of its spirit and ethos result from her influence and generosity. Our third-year students have been very lucky indeed to benefit from Anya's continued coaching of ballet solos. Sir Robert Cohan's influence has been described as a huge and unquantifiable force and the School continues to benefit enormously from his inspiration.

I am also immensely grateful to my fellow trustees, to the members of the Inner Circle and Friends Scheme, and to other benefactors of the School for their on-going support.

2020/21 promises to be another eventful year with a rich programme of new works created for our students. Covid-19 will no doubt persist in creating uncertainty and limitations, but we will

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continue to adapt to ensure our students receive the elite dance training for which Rambert School is internationally renowned.

A handwritten signature in black ink, appearing to read 'Louise Verrill', with a stylized, flowing script.

Louise Verrill
Chair of the Board of Trustees

REPORT OF THE BOARD AND FINANCIAL REVIEW

Rambert School of Ballet and Contemporary Dance ('the School') is a company limited by guarantee and a registered charity. It was incorporated on 27 March 2003 and is governed by its memorandum and articles of association.

The Board, whose members are directors for the purposes of the Companies Act (all non-executive) and trustees for the purposes of the Charities Act, presents the report and financial statements of the School for the year ended 31 July 2020.

Overview

Rambert School has for more than 100 years upheld an international reputation for delivering elite vocational dance training. Throughout the School's history the creative energy and spirit of its founder, Marie Rambert, have endured. Graduates' work is characterised by their individuality, creativity and artistic expression in addition to strong technical skills, and they can be found in all areas of the profession: as dancers, choreographers, teachers, academics and directors.

Students at the School work in a professionally-oriented environment in which the history of the art form is understood and respected, whilst its boundaries are examined and questioned. Arguably the equal emphasis on training in the two genres of ballet and contemporary dance is unique in the UK, and the curriculum is enriched by inputs from guest artists and choreographers from across the profession. Within the degree curriculum an enhanced academic programme has been developed to promote broader life skills, such as critical thinking and the ability to research independently, while the School's unique approach to vocational dance training, created by Marie Rambert 100 years ago, remains at its core.

Marie Rambert famously stated that her School should not be a 'sausage factory'. Each individual is carefully supported, during training and often beyond, through a programme which is flexible enough to cater for individual physical differences and which fosters personal reflection and research. Each cohort hosts a diverse range of students from widely varied backgrounds. This encourages a cross-fertilisation of ideas and results in graduates who are both open to new concepts and respectful of cultural diversity.

The School moved to its current premises in 2005. At the same time, it entered the Higher Education (HE) sector, joining the Conservatoire for Dance and Drama (CDD) and validating the Foundation Degree and BA (Hons) courses in Ballet and Contemporary Dance with the University of Kent.

The School's entry into HE in 2005 initially put it on a stable financial footing. The six highly renowned member schools of the CDD have collectively developed a strong voice in the arena of HE governance, allowing them to punch above their weight in arguing for the importance of funding for the performing arts. However, there have been major changes in the HE landscape since that time, most recently with a prolonged squeeze on public funding. The ground is still shifting and there is a great deal of uncertainty which increasingly puts pressure on the School's resources and forces it to think creatively about developing new income streams to create financial resilience.

However, the School exists for its students and at the centre of the future strategy lies the aspiration to draw in the most talented students, to continually develop and improve the training and provision, and to see our graduates succeed at the highest level.

Although student numbers have risen over recent years, Rambert School continues to be comparatively small and we wish for it to remain so. Limiting student numbers allows us to create a warm and caring atmosphere, provide support for every student, and give each individual many opportunities to grow and develop as a performer, as a dance artist, and as a person, at this formative stage in their life and career.

Graphs using these numbers:

Undergraduate student numbers:

2015/16	123
2016/17	124
2017/18	135
2018/19	133
2019/20	137

Undergraduate students – country of origin in 2019/20:

UK	74	54%
EU (outside the UK)	25	18%
Outside EU	<u>38</u>	<u>28%</u>
	<u>137</u>	<u>100%</u>

REPORT FROM THE PRINCIPAL

Rambert School was founded by Marie Rambert in 1920 and as we welcomed our students, old and new, in September 2019 we anticipated with great excitement the wonderful events we had planned to mark the School's centenary year. Our newly refurbished Anya Linden Studio Theatre (with kind support from the Linbury Trust) was ceremoniously opened by Lady Sainsbury in December and was to provide the perfect backdrop to a year of exciting, innovative and daring performances. In January 2020 we officially launched our Centenary Celebrations and were delighted to see so many friends at the School including alumni, past staff, and supporters. We were particularly thrilled to welcome Aiden Andrew Dunn, Marie Rambert's grandson, whose beautiful poem 'The Armoured Inkwell', based on the love story of Marie Rambert and her future husband Ashley Dukes, provided inspiration for part of the evening's performance.

We had no idea that a few weeks later we would be forced to close our doors.

During the first weeks of lockdown we worked quickly to move all of our training online; as a specialist school this clearly had many challenges. Our 'virtual' timetable was based very much upon the students' normal day-to-day schedule, with ballet and contemporary dance classes delivered daily, 'live' via Zoom (with the teacher in their own home space and the students in theirs.) Fitness/cardio, Pilates, repertoire, improvisation and choreography classes were also taught over Zoom. We even managed to rehearse group works, although this presented challenges where duets and partner work were concerned. Our academic programme also moved online, with lectures, seminars and tutorials all built into the daily schedule, plus we added further enhancement activities for students, such as additional career development sessions for third years, and guest classes led by practitioners. It was a huge learning curve for the students and the staff but one they have embraced with characteristic enthusiasm and commitment.

We were heartbroken to cancel all the centenary performances planned for summer 2020. Works that had been specially commissioned to reflect our 100-year history were all completed but never publicly performed. However, in May we live-streamed our first ever Digital Platform for student choreographic work, for which almost 30 short dance films were created by students and streamed live on Facebook. We were overwhelmed by the imaginative range of the work and by the students' ability to film and edit the footage with almost no specific training in this medium. As a result, we are planning to keep this opportunity open even when we return to 'normal' training.

We worked closely with the University of Kent, our validating university, to ensure that an alternative assessment framework was in place for students. As a result, all third-year students

were able to graduate from their degree, and first and second-year students were able to progress through the programme as normal.

As the months passed, we were in daily contact with students through their tutors and student support team. We have always been proud of our pastoral care and during this unprecedented time we continued to keep a virtual, online, or telephone 'open door' available to them. In the last few weeks of the summer term and following government advice to ensure the safety of our staff and students, we started making gradual steps towards reopening, successfully trialling classes for a maximum of twelve students whilst maintaining our online provision. We moved cautiously, ensuring that social distancing and strict protocols were adhered to. As we approach the next academic year we aim to slowly introduce more face-to-face teaching for students where possible, beginning in mid-August with some 'catch up' sessions for returning second- and third-year students.

Our successful programme of Learning and Participation (L&P) activity, which was launched in 2016 and which has continued to grow rapidly, was also put on hold, and the over-subscribed Summer Intensive for 2020 sadly was cancelled. However, our pre-vocational course continued, with sessions delivered online via Zoom.

Six postgraduate students, working on placement with the dance company Rambert2, had just returned from an exciting overseas performance in Kuwait when lockdown was imposed. They also had to adapt quickly as training was moved online and unfortunately a number of performances were cancelled. Happily, all the students were able to complete the PG Dip (first stage) of their programme and have now progressed on to the MA phase of study.

Despite the pandemic and lockdown, we managed to move forward with some of our long-term strategic plans. In June 2020 a new postgraduate programme (MA Dance Research for Professional Practitioners) was validated by the University of Kent. This is a research-focused programme, designed to be flexible and to meet the needs of students who are studying whilst working.

In July 2020 Rambert School entered a joint venture with Rambert dance company to launch a new contemporary dance syllabus for young people: Rambert Grades. The Grades have been developed by a leading team of experts from Rambert and Rambert School, together with some of the most exciting, dynamic and relevant voices of contemporary dance in the UK. As well as delivering the very best in current technical and performance practice, the Rambert Grades strongly encourage creativity and the student's self-initiative, giving them agency to bring their own interpretation to the dance material. This approach is inclusive and accessible to all, regardless of a student's ability or prior experience of formal dance training. Rambert Grades was piloted with around 30 teachers in 2019 and a full launch of the programme is imminent.

Following the tragic death of George Floyd and the international protests in support of Black Lives Matter, students called Rambert School to action to reflect on racism and discrimination across the school community. We took this opportunity to listen to their thoughts, understanding and experiences, and how that had made them reflect on themselves, their communities and the dance sector. As a School we are proactively looking at our duty of care, curriculum content, general policy, marketing and communications, outreach and widening participation work, and have formed an Anti-Racism and Discrimination Action Group, comprising staff and students. This group will lead change across the School. We are open and ready to embrace change and are proud to have passionate and articulate students who wish to be active agents in anti-discrimination work.

Despite all that we have faced, as Principal and Artistic Director I could not be prouder of Rambert School during this time. The School's wonderful team of staff are working harder than ever and our talented students have adapted brilliantly to some unprecedented challenges. It is of course difficult to say what the future holds for the next academic year as the situation changes each week. However, we are as determined as ever to refine and improve everything we do, and to ensure our students get the very best from their training at the School.

Graduate Destinations

We are immensely proud of all of our graduates and follow their careers with great interest.

Destinations for 2020 graduates include: Cleo Rose, Apprentice, Dart Dance Company (Berlin)- Matilde Marini, Keyzer Ballet Junior Company- Cathy Grealish, SETanztheater, Numberg-Alabama Seymour, Apprentice Phoenix Dance Company (Leeds)-Caiti Carpenter and Archie White, Rambert2- Owen Kennedy, Apprentice, 2faced Dance Company- Jonathan Lutwyche, Lion King (West End)- Amy Harrison, Transitions Dance Company- Rosie Reith, Lunatics and Poets (Amsterdam)- Mario Manara, Ludmila Giles, Clementine Benson and Tom O'Gorman, Verve (Leeds), Rachel Li, Karishma Young, Hannah Lucas & Matilda Woodward, Emergence Dance Company- Nicole Cavallari, MA at Central St Martin's School of Art.

Future developments

In light of the rapidly changing situation around COVID-19 and continuing restrictions, it is difficult to plan activities for 2020/21 with any certainty. We are currently anticipating a 'mixed-mode' delivery for undergraduate programmes, with daily in-studio classes for students plus some activity delivered online. Because of social distancing restrictions, there can be no contact or partnering work at present, and this will impact creation of new choreography both by guest professionals and students. However, we have provisionally commissioned new work for third-year students from choreographers Cameron Macmillan, Jose Agudo, Monique Jonas, Connor Scott and Vidya Patel, to be created in Spring 2021. We also hope to stage Ihsan Rustem's

‘Yidam’, originally planned for 2020. Scott, Jonas and Rustem are all graduates of Rambert School.

We very much hope to be able to resume our Learning and Participation activities in early 2021. The School’s pre-vocational course will continue to be delivered online for now. The Rambert2/MA Professional Dance Performance programme will re-commence in January 2021 with a new cohort of 8 students.

Our strategic priorities

1: To develop and enhance Rambert School’s unique training model

The Rambert School training model is distinctive and unique, and we are passionate about developing our dance curriculum, cultivating our students’ creativity, and nurturing our links with the profession, so that our graduates continue to succeed at the highest level.

We continually review the dance curriculum to ensure currency and to maintain the 50-50 balance between ballet and contemporary dance which is widely advertised. We strive to be responsive to a fast-changing dance profession, whilst upholding the highest standards of student achievement within the core dance technical training. The input of visiting professionals is vital and there is constant interaction with external guests on a weekly basis. This enables students to develop their practice in readiness for auditions and provides networking opportunities with current practitioners.

Our excellent student support systems cohesively integrate physical, academic and pastoral support for each individual. Our commitment to support every student throughout their journey at Rambert School is unequivocal and to this end a huge amount of staff time and resource is spent one-to-one with students. Contact hours remain exceptionally high. We continue to seek support for our student bursary fund through a variety of means to ensure that all of our students on low income are supported throughout their time at Rambert School.

Staff development and research are vital to maintain currency in the School’s training and education, and we are developing further opportunities for research and professional development through regular staff meetings and termly staff training days.

The School continues to improve the way it communicates with stakeholders, including current students and their parents, prospective students, both nationally and internationally, feeder schools, alumni and professional dance companies. We recognise the need to market the School assertively, particularly through our use of social media, and to continue attracting the most talented students.

2: To grow Rambert School's educational provision

Rambert School's Foundation Degree and BA (Hons) programmes, validated by the University of Kent, have now been running successfully for 15 years. The MA in Professional Dance Performance sees MA students working on placement with Rambert dance company in the company Rambert2. In June 2020 we validated a new research-focused postgraduate programme: MA Dance Research for Professional Practitioners.

Our Learning and Participation work continues to go from strength to strength. Application numbers for courses have grown and the average standard amongst our dancers has increased significantly. Our pre-vocational students train at Rambert School each Saturday; during 2020 this course was moved online owing to the COVID-19 pandemic.

A new contemporary dance syllabus for young people, Rambert Grades, has been developed in partnership with Rambert dance company. Following a successful pilot year, a full launch of the Grades is now planned.

3: To achieve financial sustainability as Rambert School enters its second century

The School's human resources and buildings are of huge value and investment in both remains a priority. A rolling programme of maintenance and refurbishment has been developed as part of our Estates Strategy, and our health and safety policies and procedures are regularly reviewed by an independent consultant to ensure they meet best practice.

Our main focus has always been and remains the quality of experience for our students. The School's current facilities were developed in 2005/6 for a student body of 105. Student numbers have now reached 137, mainly due to funding pressures. There are no plans to increase student numbers much further, but planned capital improvement to extend the Weston Studio will better accommodate the current number of students. Originally planned for summer 2020, the Weston Studio extension is currently on hold.

The School is acutely aware of a changing landscape and a good deal of uncertainty within Higher Education funding. To ensure its financial health in the long term, we continue to work towards diversifying our income streams and maximising the use of our resources by developing complementary activities outside of our core provision.

To conclude, I would like to express my grateful thanks to all of our supporters who have made donations during this academic year. In particular, my thanks to Lady Anya Sainsbury and the Linbury Trust, the Esmée Fairbairn Foundation, the family of Scott Ambler, the Leverhulme Trust, the Stanley Picker Trust, the Berek Charitable Trust, the Thriplow Charitable Trust, Christopher and Marian Bruce, the Harold Hyam Wingate Foundation, and the Lionel Bart

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Foundation for their generous support of the School and our students this year. I would also like to thank the Inner Circle and the many friends of the School whose incredibly generous donations supported students through the COVID-19 Student Hardship Fund.

Finally, as Richard Cooper steps down as Chair of our Board of Trustees I would like to express my heartfelt and grateful thanks to him for all his steadfast support and guidance throughout my first five years in the role of Principal and Artistic Director of Rambert School.

A handwritten signature in black ink, appearing to read 'A Britton', with a stylized, cursive script.

Amanda Britton
Principal & Artistic Director

FINANCIAL REVIEW

£2,895,676	-	£2,542,495	=	£353,181
Income		Expenditure		Net surplus

Financial Objectives

The School's financial objectives are to ensure that its activities remain financially viable in the long term, allowing it to continue to invest in the staff, buildings and equipment needed to deliver its academic strategy, and to guard against events that might damage the School's financial stability.

Income

Graph: Where does our income come from?

Government grants	17.1%
Student tuition fees	57.3%
Other income generating activities	3.4%
Investment income	0.4%
Donations to endowment funds	4.5%
Donations to Centenary Capital Campaign	8.8%
Grants received	5.9%
Other income	2.6%
	100%

Income for the year increased by 10% to £2,895,676 (2019: £2,631,761). The School's principal funding sources remain the grants received from the Office for Students (OfS) and tuition fees received from students. Student numbers on the undergraduate degree programme increased this year from 133 to 137, with a higher proportion from overseas countries (outside the EU). All student tuition fees were collected during the year, with no amounts outstanding at the year-end and no bad debts.

Income from the Office for Students, in the form of an institution specific teaching grant and other funding, fell by 20%. In May, the institution specific funding was confirmed for 2020/21 but is in doubt from the year after. If it is not renewed the School's income will drop by a further 17%, causing substantial financial pressures. The School has plans in place to increase the income generated from student fees, by increasing undergraduate student numbers to around 140, as well as from new income streams, including Rambert Grades and a new MA course in Research for Professional Practitioners. This is essential if we are to reduce our reliance on Government funding, over which we have limited control.

The School's income generated from other activities, such as classes, short courses and studio hire, fell by 45% this year. Almost all classes in the summer term and all summer intensives were cancelled due to the coronavirus pandemic. Only the pre-vocation classes continued online, although we are now developing an enhanced online provision for 2021.

Covid-19 resulted in a significant number of students needing additional financial assistance, with some needing to purchase laptops to access the new online timetable and others requiring help to return home unexpectedly and immediately. This prompted a fundraising campaign to help specifically those students impacted by coronavirus, which raised £66,792 in just a few weeks. £62,090 of hardship awards were made to affected students in early May and the remainder has been set aside in the student bursary endowment fund to cover future needs.

Funds were also raised for the day-to-day financial needs of our students, with donations amounting to £62,997 (2019: £48,264) for the student bursary fund.

With a new Head of Development in place from July 2019, the School launched its Centenary Capital Campaign to fund a reconfiguration and refurbishment of the Anya Linden Studio Theatre and an extension to the Weston Studio, as well as some heritage projects to mark the School's centenary. £254,248 was raised, of which £250,000 is restricted – see note 19. Works to the Anya Linden Studio Theatre were completed in October 2019, but the Weston Studio extension, which was planned for summer 2020, has had to be postponed.

The School received two major grants this year: £94,375 was received to fund bursaries for the students enrolled on the MA in Professional Dance Performance; and £75,000 was received towards the costs of expanding and refurbishing the School's estate. Both grants resulted from the continued support and generosity of the Linbury Trust.

The School took advantage of the Government's Coronavirus Job Retention Scheme and received grants totalling £44,472 in the year. A cautious approach was taken to ensure claims were only made for staff costs not already paid for by public funds from OfS, including teaching grants and tuition fees.

Expenditure

Graph: How do we spend these funds?

Staff costs	44.9%
Scholarship and bursary funding	12.7%
Other teaching and academic costs	6.9%
Central and admin costs	4.6%
Premises costs, including depreciation	24.1%
Professional fees	6.8%
	100%

Total expenditure of £2,542,495 rose by 4% in the year (2019: £2,443,577).

Staff costs increased overall by 3.4%, with two new posts created at the start of the year – a Programme Manager for the MA in Dance Performance and a Head of Development.

Other operating costs, excluding depreciation, rose by 1% and most elements of this expenditure remained flat. The School spent £35,432 on architect and other project fees for the extension of the Weston Studio, now postponed. £73,171 was incurred on set up costs, mainly legal fees, for Rambert Grades, a commercial joint venture with Ballet Rambert Limited – see note 10. These costs were incurred to improve the physical environment we provide for our students and to enhance the long-term sustainability of the School.

Scholarships and bursaries

Many of the School's strengths stem from its diverse student body; it is vital that we attract the most talented applicants regardless of their background or household income. Scholarship and bursary awards, including fee waivers, paid to students during the year amounted to £318,436 (2019: £269,997), with 68% of undergraduate students at the School receiving some form of financial assistance from the School (2019: 59%). All postgraduate students receive financial support.

Balance Sheet

The School's balance sheet continues to strengthen with net assets of £2,594,223 (2019: £2,241,042), while levels of working capital, cash balances and short-term deposits remain healthy.

Reserves

General reserves at 31 July 2020 amounted to £2,184,926 (2019: £2,065,863). The Board aims for a figure of £825,000 as the level of freely available general reserves that it would be prudent for the School to hold in its balance sheet, based on one term's anticipated expenditure for 2020/21. In addition to this, the Trustees have identified three specific areas where general reserves may be required to meet future obligations or events. These are:

- The expansion and maintenance of the School's estate;
- A possible reduction in central government funding;
- Exit liabilities should the School withdraw from either of the two pension schemes in which it participates.

Further details are provided in note 18 to the financial statements.

In light of these possible future obligations or events, the Board is satisfied that reserves held at the year-end are appropriate and are not excessive.

The Board continues to keep the level of reserves and the reserves policy under review. It is confident that the School has adequate working capital and that its solvency is satisfactory, given current 5-year financial forecasts.

Grants of £250,000 received for the Centenary Capital Campaign during the year are restricted and have been transferred to a restricted reserve. Expenditure of £30,000 was made against this reserve during the year, leaving a net balance as at 31 July 2020 of £220,000.

Cash position and investment policies

The School had cash and short-term deposit balances, excluding endowment funds, of £2,046,500 at 31 July 2020 (2019: £1,892,559). It should be noted, however, that it does not own the buildings in which it operates; these are owned by Rambert School of Ballet and Contemporary Dance Trust ('the Trust'). See note 27. The Trust had bank and other loans secured on the buildings of £2,788,172 outstanding at the year-end (2019: £2,966,804). These loans are effectively serviced by the School through rent payments of £330,000 per annum to the Trust.

A policy is in place for the investment of funds into short term deposits of up to one year to allow the School to optimise returns on its cash balances, whilst ensuring sufficient funds are available to meet its day-to-day requirements. This policy has been approved by the School's Finance and Premises Committee.

Capital expenditure

During the year, the School reconfigured and refurbished the Anya Linden Studio Theatre, including the upgrade of all sound and lighting equipment, at a total cost of £342,873. In addition, IT equipment was purchased for £9,889 and capitalised in accordance with the accounting policy.

Risks and uncertainties

As noted in the Corporate Governance and Internal Control Statement, the Board has carried out a detailed assessment of the major risks to which the School is exposed, and these have been ranked in terms of their potential impact and likelihood. They include business, operational and compliance risk as well as financial risk.

The current top six risks detailed on the School's risk register are:

- Over-dependency on government funding, leading to vulnerability to policy change and funding cutbacks. New income streams have been identified and are currently being developed to reduce this dependency going forward.
- Student recruitment and retention. The School met its targets for student recruitment and retention in 2019/20 and student numbers for September 2020 are strong, despite the impact of Covid-19. Following Brexit, however, recruitment is likely to become increasingly challenging, with fees for students from within the EU but outside the UK still to be determined and any changes to student visas as yet unknown.
- The impact of Covid-19 on operating costs at the School, for example studio hire for additional space and an increase in the number of dance teachers required to cover more classes due to smaller groups. There may also be an impact on tuition fees, due to a drop in student retention caused by Covid-19 or an increase in affordability issues for students and their families due to financial hardship. The School is actively fundraising to support its students affected by Covid-19 and continually monitors its operating costs carefully.
- The School's relationship with CDD, its Higher Education Provider. As a Member of CDD, the School's students have access to student loans for tuition fees and maintenance costs and the School has access to government funding. Any changes to the structure of CDD or to its membership may have an impact on this and the Board works closely with the management and governors of CDD to monitor this.
- Protection of the School's brand and identity. The RAMBERT trademark has now been registered in the UK, six other countries and the EU, with ownership shared by the School and Rambert dance company.
- Relationships with donors and other funders. A Head of Development and fundraising strategy are both now in place. During the year new relationships with funders have been formed and old ones revived.

The Board reviews these risks on an on-going basis and satisfies itself that adequate systems and procedures are in place to manage the risks identified. Where appropriate, risks are covered by insurance. The following framework is central to ensuring adequate risk assurance:

- Regular monitoring of our major risks and development of action plans;
- Embedding risk identification and assessment within operating procedures;
- A clear structure of delegated authority and control;
- Review of key systems and procedures through internal audit arrangements;
- Income and expenditure budgets for our activities;
- Maintaining adequate reserves; and
- Regular summary reports on risk management to the Board.

In 2017 the Internal Auditor reported on the School's risk, governance and baseline internal controls. It gave the School an assurance level of Substantial, the highest level, and reported no significant weaknesses. In 2018, the Internal Auditor reported on accounts payable, payroll and student data quality, and found that controls in these areas were satisfactory.

The purpose of the internal audit in 2019 was to provide assurance around key financial controls over income and management reporting, the quality of student data, and consumer protection law compliance arrangements. Again, the Internal Auditor gave the School an assurance level of Substantial, the highest level.

In 2020, the Internal Auditor examined the School's key financial controls over financial forecasting and capital projects, the quality of staff data and the Student Protection Plans. A Satisfactory level of assurance was given.

How our activities deliver public benefit

The Charity Commission emphasises the importance of trustees demonstrating that their charity's aims are for the public benefit. The Trustees have complied with the duty under Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and remain satisfied that the School's charitable objects are being met.

Activities which fulfil the School's charitable objects include education, knowledge exchange and research, and community engagement. As an educational institution and charity, the School's principal beneficiaries are its students, who are given the opportunity to receive an intensive, supportive and world-class education and training. The School is committed to selecting students on the basis of their talent, propensity for training and with the appropriate pre-vocational experience. Places are offered regardless of personal, social or financial background. Students may apply to the School for financial assistance.

Welfare provision for students, many of whom are under 18 years old, includes a student support officer, a full-time osteopath, external counsellors, English language tuition and a dyslexia assessor and counsellor. A number of reports by the University of Kent (for example the Periodic Programme Review 2018) and by the CDD (for example the Quality Audit Report 2015) have identified student support at the School as an area of best practice.

The School's outreach programmes offer opportunities for the School's wealth and depth of expertise to be shared with others outside its immediate community. This includes public

performances, which enable the wider community to benefit from the students' artistic skill and experience.

Governance review

The School's governance procedures were subject to a review in 2016 by its Internal Auditor. The objective of this review was to assess the adequacy of the control environment operating over corporate governance and it examined the workings of the Board and its committees, strategic planning, risk management, health and safety, information governance and arrangements to prevent, detect and deter fraud and malpractice. The auditor reported that the controls in place at the School adequately addressed the risks identified. All key controls were found to be operating effectively with only minor control weaknesses identified and all recommendations made have since been adopted.

The Board and committees review their terms of reference regularly to ensure they remain appropriate and in line with the CUC Code of Governance.

With a new Chair, Louise Verrill, now in place, a full governance review is planned for early 2021.

Looking forward

The outlook for the HE sector, dance education and the dance profession continues to be uncertain as the on-going impact of Covid-19 is still unclear. Careful control, monitoring and forecasting of income, costs and cash flow will be as important as ever.

Brexit

We are considering carefully the implications of Brexit for the School and for its staff and students. Currently EU students qualify for home fees of £9,250 per annum and can take advantage of loans from the UK's Student Loan Company. We are preparing for changes to fees, access to loans and student and staff visas.

Fundraising

We are immensely grateful to the School's Patrons, members of the Inner Circle and Friends Scheme, and other benefactors for their on-going support.

Donations to the student bursary fund of £129,789 and to the Centenary Capital Campaign of £254,248 were received during the year.

Members and members' liability

The members of the charitable company are the members of the Board. Those ceasing to be members of the Board also cease to be members of the company. Every member undertakes to contribute an amount not exceeding £1 in the event of the company being wound up while a member, or within one year of ceasing to be a member.

Small Company Provisions

This report has been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies.

This report from pages 5 to 19 is signed and approved by order of the Board:



Chair

Date: 13 October 2020



Principal

Date: 13 October 2020

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are directors of Rambert School of Ballet and Contemporary Dance for the purposes of company law) are responsible for preparing the Report of the Board and Financial Review and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statements of Recommended Practice: Accounting for Further and Higher Education;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

The Board has taken reasonable steps to:

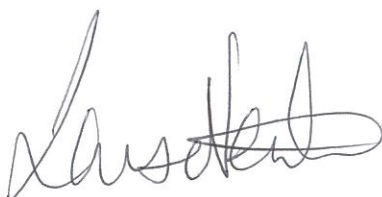
- ensure that, in all material respects, funds advanced from OfS have been applied only for the purposes for which they were received and in accordance with the Financial Memorandum with CDD;
- ensure that funds donated for restricted purposes are expended in accordance with any donor-imposed conditions;
- ensure that appropriate financial and management controls are in place to safeguard public funds and funds from other sources;
- safeguard the assets of the School and to prevent and detect fraud; and
- secure the economical, efficient and effective management of the School's resources and expenditure.

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustee has taken all steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Chair

A handwritten signature in black ink, appearing to read 'K. S. S.', written over a horizontal line.

Date: 13 October 2020

CORPORATE GOVERNANCE AND INTERNAL CONTROL STATEMENT

The School endeavours to conduct its business in accordance with the seven Principles identified by the Nolan Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).

The School is committed to exhibiting best practice in all aspects of corporate governance and this summary describes the manner in which the School applies the principles set out in The Corporate Governance Code of the Financial Reporting Council and the Guide for Members of Higher Education Governing Bodies in the UK.

Summary of the School's Structure of Corporate Governance

During the year, twelve Trustees served on the Board of the School. They were appointed under the Memorandum and Articles of the School. There is a clear separation of roles of the non-executive chairman and other non-executive members of the Board and the School's Principal. By custom and by charity law the Board holds to itself the responsibilities for the ongoing strategic direction of the School, approval of major developments and the receipt of regular reports from executive officers on the day-to-day operations of its activities. The Board met formally on three occasions during the year to 31 July 2020.

Formally constituted Board committees, with terms of reference, cover:

Finance and Premises;
Risk and Audit;
Human Resources (and Principal's Remuneration)

The School also has an Academic Board and an Examination Board which are responsible for academic matters.

The responsibilities of the Trustees are set out on pages 21 and 22.

The Board has ultimate responsibility for ensuring a sound system of internal control which supports the achievement of policies, aims and objectives, while safeguarding the funds and assets for which it is responsible.

The following processes have been established:

- The Board currently meets three times a year to consider the future plans for, and strategic direction of, the School.
- The Board receives reports from the external auditors in their management letters which refer to internal control issues when they arise.
- The Board receives periodic reports from its Risk and Audit Committee.
- The Risk and Audit Committee provides oversight of the risk management process. This provides a formal reporting and appraisal mechanism.
- The Risk and Audit Committee receives reports from the Internal Auditor, which include observations on the adequacy and effectiveness of the School's system of

RAMBERT SCHOOL OF BALLET AND CONTEMPORARY DANCE
Financial Statements for the year ended 31 July 2020

internal control, together with recommendations for improvement.

- A risk register is maintained.
- The Board reviews business, operational, financial and compliance risks.
- An induction process is in place for in-coming trustees.

This statement of internal controls covers the period from 1 August 2019 up to the date of the approval of the audited financial statements.

Chair 
Date: 13 October 2020


Principal
Date: 13 October 2020

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
RAMBERT SCHOOL OF BALLET AND CONTEMPORARY DANCE**

Opinion

We have audited the financial statements of Rambert School of Ballet and Contemporary Dance (the 'School') (the charitable company) for the year ended 31 July 2020 which comprise the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the School's affairs as at 31 July 2020 and of its surplus of income over expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the financial reporting standards (FRS102) and the Statement of Recommended Practice Accounting for further and higher education and relevant legislation;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006;
- in all material aspects, funds received for specific purposes administered by the School have been applied only for the purposes for which they were received and managed in accordance with relevant legislation;
- in all material aspects, funds from the Office for Students have been applied in accordance with the Financial Memorandum with the Conservatoire for Dance and Drama and any other terms attached to them have been applied only for the purposes for which they were received; and
- the requirements of the Office for Student's accounts direction to higher education institutions have been met. Grant and fee income, as disclosed in the note to the accounts, has not been materially misstated. Expenditure on access and participation activities for the financial year has not been materially misstated.

Basis for opinion

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

Conclusions relating to going concern

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF
RAMBERT SCHOOL OF BALLET AND CONTEMPORARY DANCE**

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the School and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF
RAMBERT SCHOOL OF BALLET AND CONTEMPORARY DANCE**

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Buzzacott LLP

Catherine Biscoe (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London EC2V 6DL
Date: 26 October 2020

RAMBERT SCHOOL OF BALLET AND CONTEMPORARY DANCE
Financial Statements for the year ended 31 July 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2020

		2020	2019
	Notes	£	£
INCOME			
Funding body grants	1	494,534	616,100
Student tuition fees	2	1,658,626	1,561,530
		<u>2,153,160</u>	<u>2,177,630</u>
Other income	3	345,927	392,067
Donations to Centenary Capital Campaign	3	254,248	-
Donations to endowment funds	17	129,789	48,264
Investment income	4	12,552	13,800
Total income		<u>2,895,676</u>	<u>2,631,761</u>
EXPENDITURE			
Staff costs	5	(1,128,580)	(1,091,912)
Other operating expenses	7	(1,303,965)	(1,294,016)
Depreciation of tangible fixed assets	9	(109,950)	(57,649)
Total expenditure		<u>(2,542,495)</u>	<u>(2,443,577)</u>
		<u></u>	<u></u>
Net income and surplus for the year		<u>353,181</u>	<u>188,184</u>

All of the activities of the charitable company are classed as continuing.

The charitable company has no gains or losses other than the results for the year as set out above.

The statement of accounting policies on pages 32 to 35 and the notes 1 to 27 on pages 36 to 49 form an integral part of these financial statements.

RAMBERT SCHOOL OF BALLET AND CONTEMPORARY DANCE
Financial Statements for the year ended 31 July 2020

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2020

	General reserve	Restricted reserve (note 19)	Endow- ment funds (note 17)	Total
	£	£	£	£
Balance at 1 August 2019	2,065,863	-	175,179	2,241,042
Net surplus for the year	353,181	-	-	353,181
Transfers:				
Donations to endowment funds	(129,789)	-	129,789	-
Payments of scholarships, bursaries and prizes	116,581	-	(116,581)	-
Interest accrued on endowment funds	(910)	-	910	-
Restricted capital donations	(250,000)	250,000	-	-
Restricted capital expenditure (depreciation)	30,000	(30,000)	-	-
Balance at 31 July 2020	<u>2,184,926</u>	<u>220,000</u>	<u>189,297</u>	<u>2,594,223</u>

The Trustees have identified three specific areas where general reserves may be required to meet future obligations. See note 18.

The statement of accounting policies on pages 32 to 35 and the notes 1 to 27 on pages 36 to 49 form an integral part of these financial statements.

RAMBERT SCHOOL OF BALLET AND CONTEMPORARY DANCE
Financial Statements for the year ended 31 July 2020

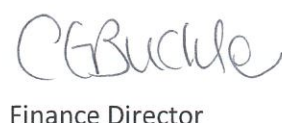
BALANCE SHEET
AS AT 31 JULY 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	9	520,697	277,885
Investment assets			
Rambert Creative Contemporary Dance Grades Ltd	10	10,000	-
Rambert Trade Marks Holding Company Ltd	10	250	-
Endowment assets			
Cash at bank	11	189,297	175,179
Current assets			
Rambert School of Ballet and Contemporary Dance Trust	13	819	578
Rambert Creative Contemporary Dance Grades Ltd	10	21,163	-
Debtors	14	72,640	244,536
Short term deposits		1,177,208	997,157
Cash at bank		869,292	895,402
		2,119,959	2,137,673
Less: Creditors – amounts falling due within one year	15	(206,103)	(278,553)
Net current assets		1,913,856	1,859,120
Total assets less current liabilities		2,655,263	2,312,184
Less: Creditors – amounts falling due in more than one year	16	(61,040)	(71,142)
NET ASSETS		2,594,223	2,241,042
Expendable endowment funds	17	189,297	175,179
General reserve	18	2,184,926	2,065,863
Restricted reserve	19	220,000	-
TOTAL FUNDS		2,594,223	2,241,042

The statement of accounting policies on pages 32 to 35 and the notes 1 to 27 on pages 36 to 49 form an integral part of these financial statements. These financial statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies.

The financial statements on pages 28 to 49 were approved and authorised for issue by the Board of Rambert School of Ballet and Contemporary Dance, company number 4713720 (England and Wales), on 13 October 2020 and signed on its behalf by:


Chair


Finance Director


Principal

RAMBERT SCHOOL OF BALLET AND CONTEMPORARY DANCE
Financial Statements for the year ended 31 July 2020

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 JULY 2020

		2020	2019
		£	£
Net cash provided by operating activities	20	518,519	191,987
Net cash flows used in investing activities	21	(350,460)	(189,283)
Change in cash and cash equivalents in the year	22	<u>168,059</u>	<u>2,704</u>

RECONCILIATION OF NET CASH FLOW
TO MOVEMENT IN NET CASH FUNDS

		2020	2019
		£	£
Increase in cash in the year	22	168,059	2,704
Net cash funds at 1 August 2019	22	<u>2,067,738</u>	<u>2,065,034</u>
Net cash funds at 31 July 2020	22	<u>2,235,797</u>	<u>2,067,738</u>
Represented by:		£	£
Endowment assets		189,297	175,179
Short term deposits		1,177,208	997,157
Cash at bank		<u>869,292</u>	<u>895,402</u>
		<u>2,235,797</u>	<u>2,067,738</u>

The statement of accounting policies on pages 32 to 35 and the notes 1 to 27 on pages 36 to 49 form an integral part of these financial statements.

STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 July 2020.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2015 (the 2015 FE/HE SORP), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets;
- estimating the £nil valuation of stock;
- estimating the provision for any clawback of OfS funding;
- estimating the recoverability of student fees in determining applicable provisions for bad debts; and
- estimating accrued expenditure.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements and have made this assessment in respect of a period of at least one year from the date of approval of these financial statements.

The Trustees review 5-year financial forecasts annually, including income and expenditure, balance sheet, cash flows and reserves. Using these and other evidence, such as scenario planning and discussions with the School's Principal and Chief Operating Officer, particularly in regard to the potential impact of Covid-19, the Trustees of the School have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the School to continue as a going concern.

The Trustees are of the opinion that the School will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 July 2021, the most significant areas that affect the carrying value of the assets held by the School are the total value of

STATEMENT OF ACCOUNTING POLICIES

student fees and amount of CDD funding (see the risk management sections of the Report of the Board for more information).

Recognition of income

Funding from the OfS (through CDD) is recognised on a receivable basis.

Student tuition fees are stated gross and credited to income over the period in which a student is studying. Where the amount of a tuition fee is reduced, income receivable is shown net of the discount.

Money received for prizes, student bursaries and hardship funding are credited to the Statement of Comprehensive Income and to an appropriate expendable endowment fund. Payments to students in respect of prizes, bursaries and hardship during an accounting period are in turn charged to the Statement of Comprehensive Income and an appropriate endowment fund.

Recurrent income from grants, contracts and other services rendered are accounted for on a receivable basis and included to the extent of the completion of the contract or service concerned; any payments received in advance of such performance are recognised on the balance sheet as liabilities.

Income from performance ticket sales is credited to the Statement of Comprehensive Income when received.

Income from deposits is credited to income on a receivable basis.

The open market value of donated assets, donations for fixed assets and grants for fixed assets are shown in the balance sheet as deferred capital grants within creditors. The deferred capital grants are released to the Statement of Comprehensive Income over the estimated useful life of the related assets.

Recoveries of Gift Aid are credited to income on receipt.

Agency arrangements

Funds which the School receives and disburses as paying agent on behalf of a funding body or other body, where the School is exposed to minimal risk or enjoys minimal economic benefit related to the receipt and subsequent disbursement of the funds, are excluded from the income and expenditure of the School.

Leases and hire purchase contracts

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the School to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure includes any attributable VAT which cannot be recovered.

STATEMENT OF ACCOUNTING POLICIES

Taxation

The School is a registered charity and is accordingly exempt from taxation in respect of income or capital gains received within categories covered by section 505 of ICTA 1988 and section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

Accounting for tangible fixed assets

Land and buildings

The School did not hold any land or buildings during the year or at the year end.

Fixtures, fittings and equipment

In 2003 certain equipment, already being used by the School, was acquired from Brunel University. This equipment was capitalised at the valuation agreed with the University. Since 2003 all purchased equipment has been capitalised and all donated assets have been capitalised at open market value. From 1 August 2007 computer and lighting equipment and equipment costing less than £1,000 has been written off to the Statement of Comprehensive Income in the period of acquisition. All other equipment is capitalised at cost.

All capitalised assets are depreciated over their useful economic life as follows:

Leasehold improvements:	10 years straight line method
Sound equipment and musical instruments:	5 years straight line method
All other non-IT equipment:	5 years straight line method
IT equipment:	3 years straight line method

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

Repairs and maintenance

Expenditure to ensure that a tangible fixed asset is maintained in good order is recognised in the Statement of Comprehensive Income in the period it is incurred.

Investment assets

The investment in the joint ventures with Ballet Rambert Limited called 'Rambert Creative Contemporary Dance Grades Ltd' and 'Rambert Trade Marks Holding Company Ltd' are stated at cost less any impairment losses.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

STATEMENT OF ACCOUNTING POLICIES

Cash

Cash flows comprise increases or decreases in cash. Cash represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment where applicable.

That part of the School's total cash holdings that is allocated to the various endowment funds is shown separately in the balance sheet under Endowment assets.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Accounting for retirement benefits

The School participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The School is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', the School therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period.

The School also participates in the Pensions Trust scheme. Again, the amount charged to the Statement of Comprehensive Income represents the contributions payable to this scheme in respect of the accounting period.

Fund accounting

The unrestricted funds comprise monies which may be utilised at the Trustees' discretion towards the charitable objectives of the School.

Expendable endowment funds comprise monies which have been donated for a specific purpose with the intention of establishing an endowment or monies for which the donation is towards a specific purpose which will be applied over a number of years.

Restricted reserves comprise monies which have been donated to the School for a specific project. They are held in this reserve to match specific project costs as they are incurred.

RAMBERT SCHOOL OF BALLET AND CONTEMPORARY DANCE
Financial Statements for the year ended 31 July 2020

NOTES TO THE FINANCIAL STATEMENTS

1	Funding body grants	2020	2019
		£	£
	<i>Recurrent grants received from CDD</i>		
	Teaching grants	369,290	411,090
	<i>Other grants received from CDD</i>		
	Higher Education Incentive Fund, Industrial Strategy funding and Widening Participation support	99,888	176,002
	Amount of capital grant released in year	25,356	29,008
		<u>494,534</u>	<u>616,100</u>

No grant income is received from any other funding bodies (2019: £nil).

2	Student tuition fees	2020	2019
		£	£
	UK and EU higher education FD/BA students	915,500	934,786
	Non-UK and EU higher education FD/BA students	708,633	595,285
	MA student fees	9,000	19,500
	Application fees and deposits foregone	26,978	21,797
	Fees (clawed back)/received for prior years	(1,485)	(9,838)
		<u>1,658,626</u>	<u>1,561,530</u>

All fee income is for taught awards in both 2020 and 2019.

3	Other income	2020	2019
		£	£
	Other income generating activities	99,291	180,058
	Grants received	169,375	205,000
	Sundry income	77,261	7,009
		<u>345,927</u>	<u>392,067</u>
	Donations to Centenary Capital Campaign	<u>254,248</u>	<u>-</u>

Income and outgoings relating to the School's bursary funds are shown in the Student Bursary Appeal Fund. See note 17.

4	Investment income	2020	2019
		£	£
	Interest receivable (before allocation to endowment funds)	<u>12,552</u>	<u>13,800</u>

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NOTES TO THE FINANCIAL STATEMENTS

5 Staff costs and numbers	2020	2019
	£	£
Total staff costs		
Wages and salaries	967,847	953,196
Social security costs	80,791	79,864
Pension costs	78,338	56,784
Other staff-related costs	1,604	2,068
	<u>1,128,580</u>	<u>1,091,912</u>
Staff costs by department	£	£
Teaching departments	731,545	718,071
Administration and central services	397,035	373,841
	<u>1,128,580</u>	<u>1,091,912</u>
Staff costs by contract	£	£
Permanent contracts	967,094	916,012
Short term and temporary contracts	161,486	175,900
	<u>1,128,580</u>	<u>1,091,912</u>

Staff numbers

The average monthly number of persons (including senior post-holders) employed by the School during the year, expressed as full-time equivalents, was:

	Number	Number
Teaching departments	16.5	15.5
Administration and central services	8.5	8.0
	<u>25.0</u>	<u>23.5</u>

The average number of persons employed during the year was 43 (2019: 41).

The aggregate remuneration of key management personnel was £276,364 (2019: £282,058) including employer's national insurance.

Senior post-holder's emoluments

The School has formally adopted the Higher Education Senior Staff Remuneration Code (2018). The Principal's salary is determined by Trustees following an annual appraisal. It is based on key performance indicators and regard is given to the salaries of comparable positions in the HE sector. The Principal's emoluments comprised the following:

	2020	2019
	£	£
Salary	80,642	76,411
Pension contributions	16,177	14,354
Total emoluments	<u>96,819</u>	<u>90,765</u>

The Principal's basic salary is 1.8 times that of the mean basic salary for all staff and 2.0 times if pension contributions are included. No members of staff received emoluments of £100,000 or more in the current or comparative year.

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NOTES TO THE FINANCIAL STATEMENTS

6 Payments to or for the benefit of the members of the Board

No member of the Board received any remuneration during the year for services as a trustee (2019: none). No member received reimbursement of expenses (2019: none).

The School has in place a trustee indemnity insurance policy at a cost of £1,064 (2019: £2,117). The insurance policy provides cover of up to a maximum of £2,000,000.

7 Other operating expenses	2020	2019
	£	£
CDD scholarship scheme awards	82,480	74,123
FD/BA student bursary awards, including Covid-19 hardship awards	114,081	32,025
MA student bursary awards	94,375	130,000
Sir Simon Robertson scholarships	-	12,440
Fee waivers granted	25,000	18,909
Charlotte Kirkpatrick prizes	2,500	2,500
Academic, research and student welfare costs	172,150	172,817
Administration and central services	115,366	110,170
Rent (operating lease)	330,000	330,000
Other premises costs	196,064	192,128
Auditor's remuneration for external audit	15,060	13,920
Auditor's remuneration for other services	1,200	1,680
Other professional fees	155,689	203,304
	<u>1,303,965</u>	<u>1,294,016</u>

8 Access and participation expenditure	2020
	£
Access investment	18,559
Financial support	159,344
Support for disabled students	36,123
Research and evaluation	8,710
	<u>222,736</u>

Included in the above are costs of £38,349 relating to staff who were intrinsic to the delivery of the School's access and participation activities during the year. Disclosure of this expenditure was not a requirement for 2019.

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Financial Statements for the year ended 31 July 2020

NOTES TO THE FINANCIAL STATEMENTS

9 Tangible Fixed Assets

	Fixtures, fittings and non-IT equipment £	IT equipment £	Leasehold improve- ments £	Total £
Cost or Valuation				
At 1 August 2019	253,755	80,024	365,395	699,174
Additions	232,660	9,889	110,213	352,762
Disposals	(88,397)	-	-	(88,397)
At 31 July 2020	<u>398,018</u>	<u>89,913</u>	<u>475,608</u>	<u>963,539</u>
Depreciation				
At 1 August 2019	(215,471)	(76,390)	(129,428)	(421,289)
Disposals	88,397	-	-	88,397
Charge for the year	(56,100)	(6,289)	(47,561)	(109,950)
At 31 July 2020	<u>(183,174)</u>	<u>(82,679)</u>	<u>(176,989)</u>	<u>(442,842)</u>
Net book value at 31 July 2020	<u>214,844</u>	<u>7,234</u>	<u>289,619</u>	<u>520,697</u>
<i>At 31 July 2019</i>	<u>38,284</u>	<u>3,634</u>	<u>235,967</u>	<u>277,885</u>

The Lease between (i) Rambert School of Ballet and Contemporary Dance Trust ('the Trust'), as owner of the School's buildings, and (ii) the School, as tenant, runs for 25 years from 8 May 2006, with rent reviews every 5 years. In November 2017, following an agreed deferral in the May 2016 rent review, the Trustees of the Trust informed the School that the rent would remain at £330,000 until the next rent review due in May 2021.

With the Trust's agreement, the School undertakes building works from time to time. Under the terms of a formal licence dated 8 July 2015 the School is not compensated for the cost of any alterations, nor for any increase in value of the property attributable to the alterations; on any rent review the alterations are to be disregarded. During the year works including the upgrade of the changing rooms were completed.

10 Investment assets

On 10 July 2020 the School entered into two joint venture agreements with Ballet Rambert Limited (company number 01930699).

Rambert Creative Contemporary Dance Grades Ltd (company number 11676508) ('Rambert Grades')

This company was set up to develop and run a graded examination syllabus in contemporary dance. It's trading name is Rambert Grades and it is owned in equal shares by the School and Ballet Rambert Limited. Both shareholders invested share capital of £10,000 and loan capital of £20,470. At the year end, Rambert Grades owed the School £693 for expenses incurred by the

NOTES TO THE FINANCIAL STATEMENTS

School on its behalf. The total amount owed by Rambert Grades to the School was therefore £21,163 as at 31 July 2020. This indebtedness is not required to be repaid within one year.

The School has agreed to loan additional funds of £106,750 to Rambert Grades during the year to 31 July 2021.

Rambert Trade Marks Holding Company Ltd (company number 12676165)

This company is owned in equal shares by its two shareholders – the School and Ballet Rambert Limited. On 10 July 2020 both shareholders agreed to transfer their RAMBERT trademarks into this company so that they could be jointly owned and managed. The shareholders each invested £250 in share capital.

11 Endowment assets

The three endowment funds (note 17) are currently held wholly within the School's cash deposits.

12 Stocks

The School holds for sale to students a stock of clothing carrying the School's name; this has no material value. Expenditure on new stock is brought into the Statement of Comprehensive Income when incurred and income from sales when receivable.

The School has accumulated a collection of costumes built up as a result of past performances. Costs are written off as incurred and no value is placed on the current wardrobe for the purposes of the financial statements. The estimated replacement cost, for insurance purposes, is £40,000.

No value is attributed to stocks of stationery or other consumables.

13 Rambert School of Ballet and Contemporary Dance Trust

At 31 July 2020, the School was owed £819 (2019: £578) by the Trust. See note 24. This indebtedness is not required to be repaid within one year.

Movements in the year may be summarised as follows:

	2020	2019
	£	£
Brought forward at 1 August 2019	578	993
Additions at cost	3,219	578
Repayments	(2,978)	(993)
Carried forward at 31 July 2020	<u>819</u>	<u>578</u>

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NOTES TO THE FINANCIAL STATEMENTS

14 Debtors	2020	2019
	£	£
Amounts falling due within one year:		
Students' fees outstanding	-	-
Prepayments	65,463	232,078
Other debtors	7,177	12,458
	<u>72,640</u>	<u>244,536</u>

15 Creditors - amounts falling due within one year	2020	2019
	£	£
Trade creditors	-	-
Deferred income – teaching grant, deposits and fees in advance	48,568	93,788
Other creditors and accruals	136,080	160,670
Deferred capital grants due within one year	21,455	24,095
	<u>206,103</u>	<u>278,553</u>

The amount of deferred capital grants released to income has been calculated by reference to the expected life of the underlying assets in accordance with the School's stated accounting policy.

16 Creditors - amounts falling due in more than one year	2020	2019
	£	£
Deferred capital grants due in more than one year	<u>61,040</u>	<u>71,142</u>
Balance at 1 August 2019	95,237	108,623
Capital grant received during the year	12,614	15,622
Amounts released to income during the year	(25,356)	(29,008)
Balance at 31 July 2020	<u>82,495</u>	<u>95,237</u>
Made up of:		
Due within one year	21,455	24,095
Due in more than one year	<u>61,040</u>	<u>71,142</u>
	<u>82,495</u>	<u>95,237</u>

The amount released to income has been calculated by reference to the expected life of the underlying assets in accordance with the School's stated accounting policy.

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NOTES TO THE FINANCIAL STATEMENTS

17 Expendable endowment funds

The ***Charlotte Kirkpatrick Fund*** was established as an expendable endowment during 2008/09 to provide for the award of an annual prize (or prizes) to one or more Rambert School students:

	2020	2019
	£	£
Balance at 1 August 2019	31,693	33,929
Interest received	153	264
Prizes awarded	(2,500)	(2,500)
Balance at 31 July 2020	<u>29,346</u>	<u>31,693</u>

The ***Student Bursary Appeal Fund*** was established as an expendable endowment during 2009/10 to provide for the award of financial support to School students:

	2020	2019
	£	£
Balance at 1 August 2019	66,752	62,473
Gift Aid recovered	-	4,760
Donations received	129,789	43,504
Interest received	373	480
FD/BA bursary and Covid-19 hardship awards made during the year	(114,081)	(44,465)
Balance at 31 July 2020	<u>82,833</u>	<u>66,752</u>

The ***Marie Rambert Memorial Fund*** was established as an expendable endowment during 2009/10 to provide for the relief of financial hardship of students and to promote and enhance the quality of dance education at the School:

	2020	2019
	£	£
Balance at 1 August 2019	76,734	76,122
Interest received	384	612
Balance at 31 July 2020	<u>77,118</u>	<u>76,734</u>

In summary, the expendable endowment funds at 31 July 2020 comprised:

	2020	2019
	£	£
Charlotte Kirkpatrick Fund	29,346	31,693
Student Bursary Appeal Fund	82,833	66,752
Marie Rambert Memorial Fund	77,118	76,734
	<u>189,297</u>	<u>175,179</u>

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NOTES TO THE FINANCIAL STATEMENTS

18 General reserve	2020	2019
	Total	Total
	£	£
<i>Balances at 1 August 2019</i>	2,065,863	1,880,334
Movements in year:		
Net surplus for the year	353,181	188,184
Net transfer to restricted reserve	(220,000)	-
Net transfer to/from endowment funds	(14,118)	(2,655)
Balances at 31 July 2020	<u>2,184,926</u>	<u>2,065,863</u>

The Trustees have identified three specific areas where general reserves may be required to meet future obligations or events.

Building expansion and maintenance plans

It is the Board's policy to ensure there are sufficient reserves to meet the future costs of expanding, maintaining and refurbishing the School's estate. In June 2018, the Board agreed to set aside reserves of £517,000 for the School's capital projects including the extension of the School's Weston Studio, for which planning permission was received on 8 April 2019. £202,000 of this amount was spent during the year on the refurbishment and upgrade of the Anya Linden Studio Theatre, leaving £315,000 for the Weston Studio extension. Unfortunately, this extension, planned for summer 2020, is now on hold due to the uncertainties caused by Covid-19.

Possible reduction in Government funding

The Board is very aware that the School's cash flows and reserves are dependent on the level of financial support it receives from central government, currently through the CDD which in turn is supported by the OfS. In the year to 31 July 2020 the School received government funding of £494,534 (2019: £616,100). This accounted for 17.1% of its total income. The School has increased its income from tuition fees and expanded its non-HE income-generating activities in order to reduce its reliance on this government funding in recent years. The School's finances are kept under constant scrutiny in light of the continued uncertainties regarding future funding levels for the HE sector, as any reduction in this level of support will have an impact on the School's general reserves and the Board is mindful of this when determining its reserves policy.

Pension obligations

During 2010, the School was notified by Universities Superannuation Scheme of a potential liability under the Employer debt regulations, should the School cease to have an active member in the scheme. Subsequently, the School was notified by The Pensions Trust that a potential liability under the same regulations had arisen in relation to that scheme. The amount of these potential liabilities is likely to prove volatile over time. Details of the pension schemes of which various staff are members are set out in note 22.

Having regard to the most recent notifications from the two pension providers, the Board has determined that funds amounting to £702,000 at 31 July 2020 (2019: £702,000) may be required in relation to these potential liabilities. However, the School currently has no plans to withdraw from either scheme and active members of the schemes continue to be employed by the School.

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NOTES TO THE FINANCIAL STATEMENTS

The Board therefore has not allocated reserves to cover these contingent liabilities at this time, but continues to review them regularly and when setting its reserves policy.

19 Restricted reserve

Donations made to the School for the Centenary Capital Campaign during the year of £250,000 are restricted to capital projects and have therefore been transferred to a restricted reserve on the balance sheet. Expenditure against these of £30,000 was incurred in the year, leaving a net restricted reserve of £220,000 at 31 July 2020 (2019: £nil).

20 Net cash provided by operating activities	2020	2019
	£	£
Net movement in funds	353,181	188,184
Depreciation charge	109,950	57,649
Decrease/(increase) in debtors	150,492	(81,300)
(Decrease)/increase in creditors due within one year	(72,450)	50,289
Decrease in creditors due in more than one year	(10,102)	(9,035)
Interest income	(12,552)	(13,800)
Net cash inflow from operating activities	<u>518,519</u>	<u>191,987</u>
21 Net cash flow used in investing activities	2020	2019
	£	£
Interest received	12,552	13,800
Purchase of tangible fixed assets	(352,762)	(203,083)
Investment in joint ventures	(10,250)	
	<u>(350,460)</u>	<u>(189,283)</u>
22 Change in cash and cash equivalents in the year	2020	2019
	£	£
Balance at 1 August 2019	2,067,738	2,065,034
Cash flows	<u>168,059</u>	<u>2,704</u>
Balance at 31 July 2020	<u>2,235,797</u>	<u>2,067,738</u>

NOTES TO THE FINANCIAL STATEMENTS

23 Pension obligations

Employees of the School belong to two principal pension schemes, the Universities Superannuation Scheme and The Pensions Trust ('PT').

The School's total pension cost for the year was £78,338 (2019: £56,784).

Universities Superannuation Scheme

The School participates in the USS, a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme limited. The School is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the School's employees. Since 1 October 2019, the percentage has been 21.5% (previously 19.5%). The School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme.

The total cost charged to the Statement of Comprehensive Income is £24,084 (2019: £21,200). The School is not currently required to make deficit contributions to the scheme.

The disclosures below represent the position from the scheme's financial statements and have been provided by USS:

The latest available complete actuarial valuation of the Retirement Income Builder section of the scheme is as at 31 March 2018 (the valuation date), which was carried out using the projected unit method. The valuation as at 31 March 2020 is under way but not yet complete.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below:

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% per annum.
Discount rate (forward rate)	Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21+: CPI + 1.55%

NOTES TO THE FINANCIAL STATEMENTS

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

2018 valuation	
Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females. Post retirement: 97.6% of SAPS S1NMA 'light' for males and 102.7% of RFV00 for females.
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	2018	2017
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2020	2019
Discount rate	2.59%	2.44%
Pensionable salary growth	4.20%	2.11%

The above disclosures have been provided by USS.

When an employer withdraws from a multi-employer defined benefit scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). The estimated cost of withdrawal for the School as at 29 February 2020 has been calculated by USS to be £700,000 (as at 31 July 2019: £700,000). Calculations from USS are only available up to this date. The School currently has no plans to withdraw from the scheme and as at the balance sheet date there were two active members of the scheme employed by the School.

NOTES TO THE FINANCIAL STATEMENTS

The Pensions Trust

The School participates in The Pensions Trust's Growth Plan. The plan is funded and is not contracted out of the state scheme. It is auto-enrolment compliant. Employer contributions to the scheme are charged to the statement of comprehensive income in the year in which they are payable.

The agreed contribution rates are 6% for employees and 9% for the School for permanent employees and 5% for employees and 3% for the School for all other employees who meet the qualifying criteria for auto-enrolment.

The cost for the School for the year ended 31 July 2020 was £54,254 (2019: £35,584).

The Growth Plan is a multi-employer scheme and it is not possible to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. Scheme assets are co-mingled for investment purposes and benefits are paid from the total scheme assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS102 represents the employer contribution payable.

The last formal valuation of the Scheme was performed at 30 September 2017. This valuation revealed a shortfall of assets compared with the value of liabilities of £131.5 million, down from £176.5 million at 30 September 2014, equivalent to a funding level of 86% (2014: 82%). The School is not required to make deficit contributions.

As noted above, when an employer withdraws from a multi-employer defined benefit scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). Due to a change in the definition of money purchase contained in the Pensions Act 2011, the calculation that applies to the Growth Plan will be amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal.

The estimated cost of withdrawal for the School as at 30 September 2019 (including Series 3 liabilities in the calculation) has been calculated by the Pensions Trust to be £2,104 (September 2018: £2,139).

NOTES TO THE FINANCIAL STATEMENTS

24 Capital Commitments

At 31 July 2020, the School had no capital commitments (2019: £341,973).

25 Financial Commitments

At 31 July 2020, the School had commitments under non-cancellable operating leases as follows:

Operating leases:	Land and Buildings £	Equipment £	2020 £
Within one year	330,000	25,721	355,721
Between two and five years	1,320,000	24,289	1,344,289
After five years	1,829,918	-	1,829,918
	<u>3,479,918</u>	<u>50,010</u>	<u>3,529,928</u>

Operating leases:	Land and Buildings £	Equipment £	2019 £
<i>Within one year</i>	330,000	25,721	355,721
<i>Between two and five years</i>	1,320,000	50,080	1,370,080
<i>After five years</i>	2,160,822	-	2,160,822
	<u>3,810,822</u>	<u>75,801</u>	<u>3,886,623</u>

NOTES TO THE FINANCIAL STATEMENTS

26 Contingent liability

The School currently has employees in two pension schemes, the Universities Superannuation Scheme and the Pensions Trust scheme.

Should the School remove all of its current members from either scheme, a liability would crystallise under the Employer debt regulations. However, as long as one employee remains in a scheme, no such liability will arise.

On the basis of the most recent notifications from the two pension providers, the potential liability arising, should the liabilities crystallise on both schemes, would be approximately £702,000 (2019: £702,000).

27 Related party transactions and other connections considered notifiable

All transactions involving individuals or organisations in which a member of the Board of the School may have an interest are conducted at arm's length and in accordance with the School's financial regulations and normal procurement procedures. Such Board members took no part in any decisions relating to those transactions.

In this context, it is considered appropriate to report the following relationships:

Rambert School of Ballet and Contemporary Dance Trust

The Trust is considered to be a connected party of the School. The objects of the Trust, a separate registered charity (Charity number 1114705, Company number 5644697) are to advance the education of the public in the arts of ballet, mime and contemporary dance; and to promote further and higher education in and knowledge, understanding and appreciation of those arts. Those objects are achieved by supporting and providing facilities for the School.

Katie Thorpe is a trustee of both the School and the Trust. During the year the Trust received rent of £330,000 (2019: £330,000) from the School. The Trust made a grant to the School of £75,000 (2019: £75,000) in July 2020. At 31 July 2020, the Trust owed £819 to the School (2019: £578) for expenses incurred on its behalf. See note 11 above in this context.

Rambert Creative Contemporary Dance Grades Ltd (Rambert Grades)

Rambert Grades is a joint venture company owned in equal shares by the School and Ballet Rambert Limited since 10 July 2020. On that date the School invested £10,000 of share capital and £20,470 of loan capital into this company. At 31 July 2020 Rambert Grades owed the School an additional £693 for IT expenses incurred on its behalf. See note 10.

The School is committed to providing Rambert Grades with additional loan capital of £106,750 during the year to 31 July 2021.

Rambert Trade Marks Holding Company Ltd

This joint venture company has been owned in equal shares by the School and Ballet Rambert Limited since 10 July 2020. On that date the School invested £250 in share capital. See note 10.

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DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2020

The following pages do not form part of the statutory financial statements which
are the subject of the independent auditors' report on pages 25 to 27.

	Year ended 31 July 2020 £	Year ended 31 July 2019 £
INCOME (see following pages)		
Teaching grant from OfS	369,290	411,090
Other grants from OfS	<u>125,244</u>	<u>205,010</u>
	494,534	616,100
Student tuition fees	1,658,626	1,561,530
Performance ticket sales	3,326	14,151
Studio rental income	30,104	47,553
Short courses and classes income	65,861	118,354
Grant from Rambert Trust	75,000	75,000
Grant from Rambert Co for MA bursaries	94,375	130,000
Other income	<u>77,261</u>	<u>7,009</u>
	345,927	392,067
Bank Interest	12,552	13,800
Donations to Centenary Capital Campaign	254,248	-
Donations to endowment funds	129,789	48,264
Total income	<u>2,895,676</u>	<u>2,631,761</u>
EXPENDITURE (see following pages)		
Staff costs	(1,128,580)	(1,091,912)
Other operating expenses	(1,303,965)	(1,294,016)
Depreciation	(109,950)	(57,649)
Total expenditure	<u>(2,542,495)</u>	<u>(2,443,577)</u>
Surplus for the year	353,181	188,184
Transfers to endowment funds:		
Donations received	(129,789)	(48,264)
Awards and prizes	116,581	46,965
Interest allocated	(910)	(1,356)
Transfer to restricted reserves (capital donations)	(220,000)	-
Surplus for the year retained	<u>119,063</u>	<u>185,529</u>

RAMBERT SCHOOL OF BALLET AND CONTEMPORARY DANCE
Financial Statements for the year ended 31 July 2020

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2020

	Year ended 31 July 2020 £	Year ended 31 July 2019 £
INCOME		
Funding grants from CDD		
<i>Teaching grants:</i>		
Funding for UK/EU students	369,290	411,090
<i>Other grants:</i>		
Higher Education Innovation Fund ("HEIF") and Industrial Strategy funding allocated by CDD	72,244	157,753
Widening Participation funding	9,745	9,745
Capital grant allocated by CDD Grant is brought into income at the same rate as the underlying assets are depreciated	25,356	29,008
Other	17,899	8,504
	125,244	205,010
Total grants from CDD	494,534	616,100
Fees payable by students:		
<i>UK/EU students on FD/BA</i>	915,500	934,786
<i>Overseas students on FD/BD</i>	708,633	595,285
<i>MA course fees</i>	9,000	19,500
<i>Adjustments (including those who deferred or left part way through year and deposits foregone)</i>		
- net benefit to School:	4,688	(4,853)
<i>Provision for doubtful debts</i>	-	-
<i>Application fees:</i>		
456 x £50 (2019: 383 x £50) less bank charges and waivers	20,805	16,812
Total fees payable by students	1,658,626	1,561,530

RAMBERT SCHOOL OF BALLET AND CONTEMPORARY DANCE
Financial Statements for the year ended 31 July 2020

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2020

EXPENDITURE	Year ended 31 July 2020	Year ended 31 July 2019
	£	£
Teaching staff	731,545	718,071
Administration staff	395,431	371,773
Other employment-related costs	1,604	2,068
	1,128,580	1,091,912
Contribution to CDD Scholarship fund	82,480	74,123
Sir Simon Robertson scholarships	-	12,440
Bursary awards made and fee waivers FD/BA	139,081	50,934
Bursary awards made and fee waivers MA	94,375	130,000
Charlotte KP prize	2,500	2,500
	318,436	269,997
University of Kent validation	45,703	38,988
Overseas audition costs	28,564	21,038
Touring, performance and wardrobe costs	6,796	12,907
Equipment costs	11,398	13,152
Research, collaborative projects and new choreography	27,285	27,778
Student welfare	38,027	35,162
Other academic costs, including MA costs	14,377	23,792
	172,150	172,817
Promotion costs	41,128	40,336
Printing, postage and stationery	18,104	17,147
Telephone and broadband	9,460	10,681
IT expenses	16,081	13,984
Other administrative and central services	30,593	28,022
	115,366	110,170
Rent	330,000	330,000
Rates and water	18,157	25,530
Insurance	28,567	28,931
Security	2,443	1,472
Gas and electricity	46,535	41,516
Cleaning	46,120	46,358
Maintenance and repairs	54,242	48,319
Major internal repairs	-	-
	526,064	522,127
Audit fee	15,060	13,920
Other professional fees	156,889	204,984
	171,949	218,904
	1,303,965	1,294,016
Depreciation	109,950	57,649
Total expenditure	2,542,495	2,443,577