



Financial Statements

31 July 2010

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

Company number: 4170092
Charity number: 1095623

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



Company information

Governors (directors and members)	Sir Robert Reid (Chairman) Prof Christopher Bannerman Kim Brandstrup Dr Virginia Brooke Sharon Coleman Su Dean Christopher de Pury Ryan Densham Tony Dyson Katherine Farr Mark Gill	Peter Gruen Paul Holloway Melanie Johnson Nicholas Karelis Sir Tim Lankester Susannah Marsden Stephanie Post Luke Rittner Anthony Smith Sue Storr Andrew Summers
Joint Principal (also Governors and directors)	Veronica Lewis MBE (Accountable Officer)	Edward Kemp
Clerk to the Board of Governors and Company Secretary	John Myerscough	
Registered Address	Tavistock House Tavistock Square London, WC1H 9JJ	
Affiliates	founding from 1 August 2003 from 1 August 2004 from 1 August 2005	London Contemporary Dance School (LCDS) Royal Academy of Dramatic Art (RADA) Bristol Old Vic Theatre School (BOVTS) Northern School of Contemporary Dance (NSCD) Central School of Ballet (CSB) Circus Space (Circus) London Academy of Music and Dramatic Art (LAMDA) Rambert School of Ballet and Contemporary Dance (Rambert)
Administrative Director	Julie Crofts	
Director of Finance and Operations	David Johnson	
Internal Auditor	Colin Shearing	
Bankers	Lloyds TSB Bank Plc 2nd Floor, 25 St George Street London W1S 1FS	
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH	Beachcroft LLP 30 Eastcheap London EC3M 1HD
External Auditor	BDO LLP Emerald House, East Street Epsom, Surrey, KT17 1HS	
Registered Company No	4170092 (a company limited by guarantee having no share capital)	
Registered Charity No	1095623	

Report of the Board of Governors

The Governors present their report and the audited financial statements for the year ending 31 July 2010.

Joint Principal's review of the year

As the whole of the public sector moves into more straitened economic circumstances, it seems worthwhile recalling our objectives in establishing the Conservatoire almost ten years ago. The primary reasons were:

- to protect the future of vocational education and training at an elite level in dance and drama (then extended to circus arts);
- to enable the Conservatoire schools to select students on the basis of talent, not ability to pay;
- to promote and sustain the particular training histories, philosophies and approaches of a group of world-class schools;
- to create structured opportunities for collaboration and art form development which will enrich the future of dance, drama and circus arts.

Reflecting on the 2009-10 academic year, as Joint Principals we can confidently assert that the Conservatoire has remained true to this original set of objectives. Indeed, the need and desire to preserve the UK's creative heritage and secure its future viability is, if anything, more critical.

In practical terms, the year was one of consolidation, internal and external review and considerable preparation, planning and thought to assist us in a new future of reduced public funding. This was set against a background of celebrations across the Conservatoire schools and it is here we wish to begin.

Ballet Central, the touring company comprising the BA (Hons) final year students from Central School of Ballet, embarked on its 25th anniversary tour in March 2010.

At The Place, home to London Contemporary Dance School, the year marked its 40th anniversary. Accompanying celebrations included the launch of the LCDS Alumni network and opportunities for graduates from the previous five decades to meet and catch up. Northern School of Contemporary Dance welcomed professional performance work back into its theatre, the Riley Theatre, offering a programme of exciting and innovative work and locating the school back on the touring schedules for dance companies nationwide. Circus Space students performed to an audience of almost 10,000 people outside the National Theatre as part of the *Watch This Space* festival. Rambert school students once again joined professional dancers in Rambert Dance Company's production of *A Linha Curva* by Itzik Galili.

The drama schools continued to offer a diverse range of work. LAMDA toured its work to the Lake District as part of The Bowness Theatre and Film Festival, and took classical work to Paris and Turin. New work was again part of the repertoire with Mark Ravenhill's *Meat Money Jesus* premiering in the MacOwan Theatre, having been created through the Academy's new writing initiative, the LAMDA *Long Project*. BOVTS students showcased screen work alongside the usual theatre work to agents and casting directors in London. They produced a Conservatoire-wide DVD about life in a Conservatoire school, entitled *A Step Up*, which was launched at the Conservatoire's staff conference in January 2010. Plans are afoot for a follow up focusing on the work of technical theatre staff and students across the organisation during the coming year. As well as contemporary and new work, RADA produced four Shakespeare plays during the year.

A third Conservatoire staff conference took place in January 2010. Entitled *Illuminate*, the conference, attended by 130 staff from across all eight schools, explored all aspects of the schools' work, including both practical preparation for the Quality Assurance Agency's institutional audit and broader thinking about the role of practice based research in the creative arts. The conference was a galvanising occasion and one early result was a move to informal sharings between students of the different schools. The first such was organised by LCDS staff and students and included performers and technicians from four schools: RADA, LCDS, Central and LAMDA. The Conservatoire was also delighted to welcome a third group of senior staff from the Beijing National Dance Academy for a short course on European dance training. It was a welcome opportunity to foster one of the Conservatoire's international relationships.

The Conservatoire and its schools experienced extensive internal and external reviews during 2009-10. First, Rambert School and Circus Space were the first schools to experience a new validation procedure completed jointly by the Conservatoire with the University of Kent. This represented a landmark in the Conservatoire's own assessment, scrutiny and review of new programmes offered by its schools. Second, RADA completed an important internal review of its BA (Hons) Acting programme. Third, the Conservatoire was pleased to be given a judgment of 'confidence' in its quality assurance systems by the Quality Assurance Agency in July following a summer visit and the institution's first full formal scrutiny of its systems. The QAA commended the Conservatoire's effort to ensure that staff at its schools remain able to work in the professions and bring this experience to their teaching, as well as the support offered to disabled students.

It also drew attention to the Conservatoire's development of 'level descriptors' outlining the particularities of the different vocational awards offered by the Conservatoire schools as an example of leadership in the sector. Finally, a HEFCE-sponsored audit of the Conservatoire's data systems which inform HEFCE's funding was undertaken shortly after the QAA visit and HEFCE confirmed its confidence in the institution's systems.

The Board and Principals have devoted considerable energy to planning for an uncertain future during the course of 2009-10, including drafting a number of different potential scenarios and embarking on work to consider how to protect the future of the group of eight schools in this exceptional organisation. As almost all schools started life in the private sector, they are well aware of the challenges ahead of them in a changing cultural and educational landscape. The challenge to the Conservatoire in the coming year is to continue to articulate the public benefit of its unique approach to delivering the leading cultural creators of the future.

Finally, we wish to offer our thanks, as always, to our validating universities for their assistance over the year: the University of Kent, King's College London and the University of the West of England. We welcome two new budding performers in the guise of Jane Rice-Bowen's twins, Thomas and Abigail, born in December, and thank Jane for her service as Joint Principal. Edward Kemp has taken on the role of Joint Principal. We also pay particular tribute to Peter James, who retired as principal of LAMDA at the end of the academic year. Peter guided the entry of LAMDA into the Conservatoire in 2004 and has been instrumental in its development. We welcome his successor, Joanna Read, to her new role and to the Conservatoire family.

Veronica Lewis MBE
Joint Principal & Accounting Officer

Edward Kemp
Joint Principal

General report

Public benefit

The Conservatoire articulated the principal elements of its public benefit in its submission to the HEFCE Review of Exceptional Funding for Institutions (a summary version is available on the Conservatoire's website). There are six core elements:

- producing exceptional artists who shape the future of dance, drama and circus arts;
- fostering talent and creativity through world-class vocational training;
- finding and nurturing the finest UK talent;
- supporting the cultural infrastructure;
- fuelling development in the creative industries; and
- international leadership in dance, drama and circus arts.

The Governors are aware of their responsibilities with regard to public benefit and are conversant with the Charity Commission's guidance in this area. The Conservatoire is a registered charity and is thus regulated by the Charity Commission.

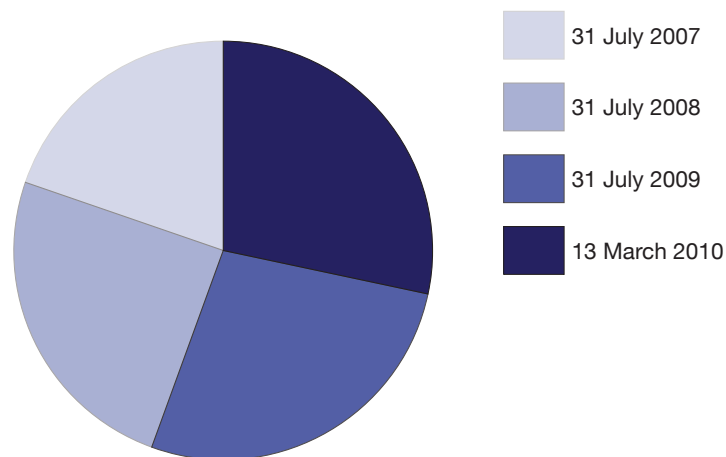
The Conservatoire continues to keep the public benefit at the heart of its activities. Its approach to recruitment is to select students on the basis of talent irrespective of other factors and it ensures this by auditioning every student who meets the recruitment criteria (over 11,500 individuals in 2009-10). It offers a bursary scheme available to all students from low-income backgrounds who are assessed as eligible for state support. It is committed to sharing good practice within its schools and the wider educational and cultural sectors.

The Conservatoire supports not only the education of young artists, but their continuing development. It extends a helping hand to artists throughout their careers by commissioning new works, which are then staged and often toured by the schools. The Conservatoire and its schools continue to enhance the educational and cultural life of the UK.

Student recruitment and bursaries

Applications have increased once again, especially at the drama schools, and are 4.7% up on 2008-09 figures overall. Application figures indicate that the introduction of variable fees in 2006 has not reduced the overall number of students applying to Conservatoire schools. The Conservatoire continues to monitor this, especially the impact on different courses within the schools. Given the likely change in Government policy for 2012 onwards, the Conservatoire will review its fee data carefully as part of its planning. It remains committed to ensuring that it can continue to recruit students with the necessary talent and aptitude for training irrespective of background.

Number of student applications



Student achievement and employment

The table below outlines awards made by the Conservatoire schools' validating universities in 2009-10. The decrease in total undergraduate awards is partly a result of the transfer of programmes between undergraduate and postgraduate. The increase in undergraduate degrees is a result of the move from HE diploma courses to a greater number of Foundation Degrees.

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

The table below provides details of the classification of undergraduate degrees (where a classification is awarded, which is not the case with all Conservatoire programmes). Achievement is higher than the sector averages reported in information provided by the Higher Education Statistics Agency for 2008-09 (see the final line of the table below) but it closely corresponds to other conservatoires and specialist institutions in dance and drama.

Classification of first degree awards as a percentage*	First class	2:1	2:2	Third class
2009-10	17	70	10	3
2008-09	16	68	16	1
2007-08	18	61	19	2
HESA Creative Arts for 2008-09 average	14	49	29	7

*This excludes the unclassified honours and ordinary BA awards offered at BOVTS and RADA to enable comparison with the creative arts sector.

The Conservatoire prides itself in producing high calibre graduates who will find work in leading companies and productions. Conservatoire graduates continue to be found in all sectors of the creative arts. Dance graduates from 2009-10 are working with: Ballet Bern, Ballet Black, Ballet du Rhin, Ballet Ireland, Centro Coreografico de Valencia, Crossings International Dance Festival (Johannesburg), Dance Umbrella, dANTE OR dIE, Disneyland Paris, English National Opera, Ffin Dance, Jasmin Vardimon Company, Jean Ann Ryan cruises, Ludus Dance, Matthew Bourne's New Adventures, Middlesex University, movingtheatre.de, National Ballet Estonia, National Dance Company Wales, Northern School of Contemporary Dance, Phoenix Dance Theatre, Polish Dance Theatre, Punchdrunk, Retina Dance Company, Richard Alston Dance Company, Scottish Ballet, Scottish Dance Theatre, Singapore Ballet, Tavaziva Dance, Tilted Productions, West Kent College, Xaris Dance Company (Finland).

Drama and circus graduates from 2009-10 are working with Aardman Animation, BBC Productions, BBC Radio Drama, Birmingham Repertory Theatre, Channel 4, Chichester Festival Theatre, Everyman Liverpool Playhouse, ITV Drama, Menier Chocolate Factory, The Royal Court Theatre, The Royal Exchange Theatre, Royal Shakespeare Company, The National Theatre, The Nuffield Southampton, Shakespeare's Globe Theatre, Warner Bros. Entertainment and West Yorkshire Playhouse.

Equality and diversity

The Conservatoire completed and published an extensive *Review of Equality Schemes 2006-2009* during the year. This review helped to prepare the institution for the introduction of a single equality scheme for the Conservatoire and affiliates. An interim single scheme was prepared during 2009-10. The Conservatoire was commended once again by the Quality Assurance Agency's Institutional Audit team on its support for disabled students.

National Student Survey

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

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

The Conservatoire continues to score highly in the National Student Survey and has general satisfaction levels consistently above that of the whole higher education sector. In percentage terms, in the 2010 survey, 89% of Conservatoire students expressed overall satisfaction with their course and experience compared to a sector average of 82%. Whilst the response rate amongst Conservatoire students has remained fairly consistent (and again is almost 100% participation in some affiliates), the small numbers of students eligible for the survey is a perennial problem and continues to limit its value as a tool for student feedback on specific issues and on particular courses. The Conservatoire's Academic Board considers analyses of this data, in conjunction with substantial qualitative student feedback gathered internally, at course and affiliate school level, and monitors data use in programme evaluation and action planning.

Financial overview

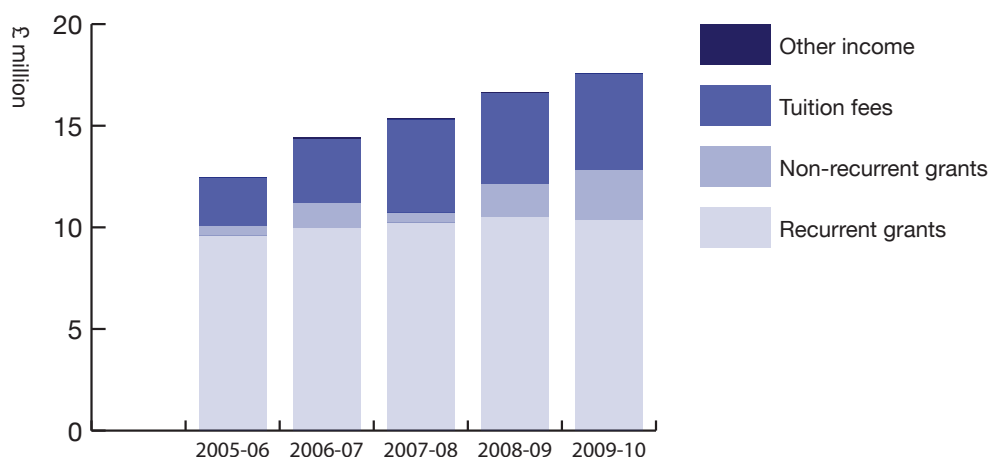
The Conservatoire incurred a planned deficit in the year of £118,779 (including the bursary funding) amounting to 0.7% of total income, compared to a surplus of £105,894 for 2008-09 (0.65%).

	2009-10	2008-09	2007-08
Reserves	£595k	£714k	£608k
As % of expenditure	3.5%	4.4%	4.3%
As % of income	3.5%	4.4%	4.2%
In days	13 days	16 days	15 days
Current ratio	3.4:1	2.3:1	2.3:1
External borrowing	nil	nil	nil

The Conservatoire does not aim to generate significant reserves, except to meet working capital needs and provide a prudent cushion, in line with guidelines set at between 3% to 5% of total income. Reserves are held as cash. Any funds not required to meet the Conservatoire's office and joint artistic costs, or to provide reserves, are used in developing the education provision of its affiliates and related support functions. The Conservatoire is planning for reduced public funding in the next five years.

Income

The Conservatoire has two major sources of income: grants from HEFCE, recurrent and non-recurrent, and tuition fees. These are augmented with a small income from bank deposits amounting to £4,728 compared to £25,604 in 2008-09. This decrease was entirely due to the fall in interest rates.



Funding Council grants

The table below gives details of HEFCE recurrent and non-recurrent grants. Non-recurrent grants comprise Higher Education Innovation Fund (HEIF), Teaching Quality Enhancement Fund (TQEF) and HEFCE Teaching Capital Investment Fund (TCIF) allocations.

	2009-10			2008-9	
	£	% change	proportion of total income	£	proportion of total income
HEFCE - recurrent grants	10,374,943	1.3%	61.6%	10,506,783	65.2%
HEFCE - other grants	1,537,234	59.6%	9.1%	963,089	5.9%

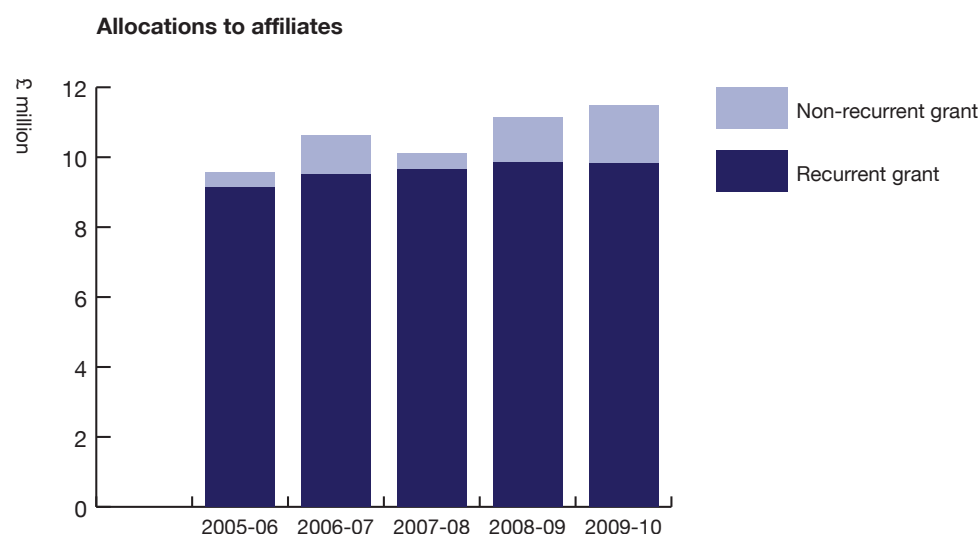
Tuition fees

Conservatoire students are charged tuition fees for higher education programmes, which are delivered by the affiliate schools on behalf of the Conservatoire. The Conservatoire introduced additional, variable fees in 2006-07 for new undergraduate entrants, which applied to all undergraduate entrants for the first time in 2008-09. Such fees are recognised in the Conservatoire's accounts.

Expenses

Disbursements to affiliates

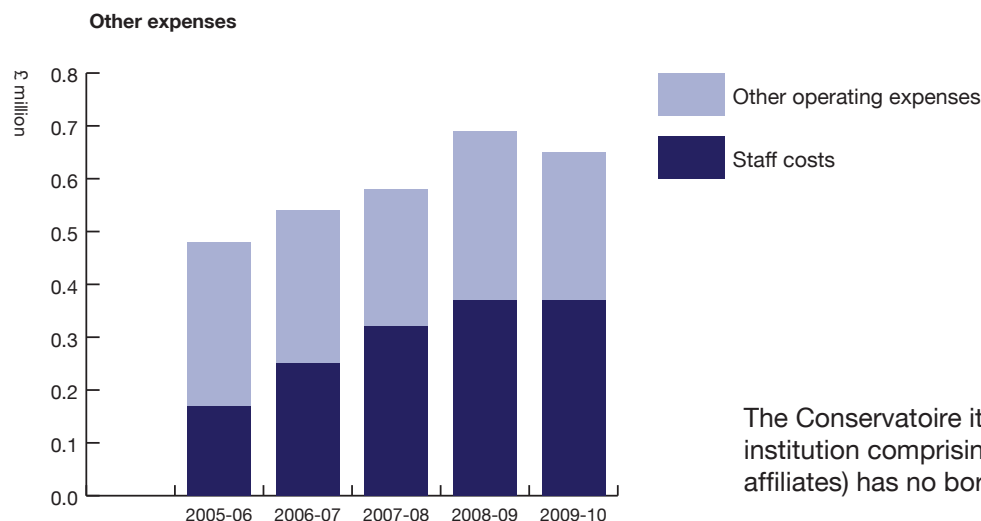
Management aims to keep central administration costs below 5% of total income, in order to maximise the amount of resource available to affiliates (see notes 5 and 6 to the accounts). To allow fair comparison, data in the following chart for prior years includes fees paid directly to affiliate schools by Conservatoire students in respect of Conservatoire courses that was not recognised in the Conservatoire's statutory accounts.



Other expenses

Operating costs, comprising staff costs and other operating expenses, totalled £645,351 or 3.8% of total income (2008-09: £691,169, 4.3%).

In 2006-07, as a condition of opting for the higher fees, the Conservatoire established a bursary programme in agreement with the Office of Fair Access. In 2009-10 all qualifying students will have received bursaries. Bursary costs in the year totalled £501,856 (2008-09: £467,579). Three quarters of students in receipt of bursaries received the full bursary.



The Conservatoire itself (rather than the broader institution comprising the company and the eight affiliates) has no borrowings or estate.

Capital expenditure

The Conservatoire moved offices during the year and expenditure on fixtures and fittings was capitalised. Redundant equipment with no written down value which was disposed of at the time of the move has been written out of the accounts.

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

HEFCE Assurance Review and risk rating

HEFCE determines as a consequence of its review and the annual cycle of institutional reporting whether it deems individual institutions to be included in an 'at risk' category. Institutions are informed of their risk status. In 2009-10, the Conservatoire was not considered by HEFCE to be 'at risk', a similar finding to that of each of the previous years in which a risk rating has been issued by HEFCE.

Principal risks and uncertainties facing the Conservatoire

The Conservatoire's risk register includes some seven principal risks (those that are deemed to have a substantively detrimental effect on the organisation combined with a high likelihood of occurring). The most significant risk continues to be related to grant income, and specifically reduction to the grant income. This in turn generates a number of other risks, including the Conservatoire's ability to recruit and retain students who have the talent, aptitude and dedication to benefit from the training offered. It should be noted, however, that the Conservatoire has not historically experienced recruitment difficulties and has one of the best retention rates in the sector. Nonetheless, the ability to select and retain appropriate students remains an ongoing concern in the face of changes to government policy, even more so in the face of further and more significant funding reductions from 2012. The other category of closely-monitored risks relates to the corporate governance of the institution and compliance with higher education requirements by the affiliate schools.

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

Auditors

The Conservatoire is completing its five year review of the audit service and will appoint auditors for 2010-11 before the Spring board meeting.

Disclosure of Information to Auditors

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

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

Directors

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

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

Conservatoire student public performances 2009-10

(for information and not part of the audited accounts)

Bristol Old Vic Theatre School

The Crucible by Arthur Miller, directed by Sue Wilson

Translations by Brian Friel, directed by Roger Haines

Jane Eyre by Charlotte Bronte, adapted by Willis Hall, directed by Lucy Pitman-Wallace

The Shape of Things by Neil Labute, directed by Matthew Lloyd-Davies

Love Song by John Kolvenbach, directed by Sam Ellis

Debris by Dennis Kelly, directed by Anna Girvan

Someone Who'll Watch Over Me by Frank McGuinness, directed by Hannah Drake

David Copperfield by Charles Dickens, adapted for the stage by Alastair Cording, directed by Christopher Scott

The Comedy of Errors by William Shakespeare, directed by John Hartoch

The Country Wife by William Wycherley, directed by Jenny Stephens

The Tempest by William Shakespeare, adapted and directed by Toby Hulse

Dick Whittington written and directed by Clive Hayward

The Nativity – Bristol Fashion, adapted by Toby Hulse and Christopher Scott, directed by Toby Hulse

The Good Companions by J.B Priestley, directed by Sue Wilson

Central School of Ballet

End of Year performances:

Aires de Espana, choreography: Sherrill Wexler

Guilbiloso, choreography: Linda Moran

Shift, choreography: Christopher Bruce

Twin Figures, choreography: Louise Bennett

Doubting Thomas, choreography: Darshan Singh Bhuller

'The Tango' from *I Don't Want to Set the World on Fire*, choreography: Michael Pink

Simple Symphony, choreography: Nellie Happee

Weather Front, choreography: Sara Mathews

Duologue, choreography: Christopher Marney

One Man Hunt and other short stories, choreography: Leanne King

Swing Time, choreography: Phillip Aiden

Ballet Central 25th Anniversary Tour 2010: *Basse Danse*, choreography: Kit Holder

Dances from a Knot Garden, choreography: Sara Mathews

Pas de deux between Harker and Dracula from 'Dracula', choreography: Michael Pink

Duologue, choreography: Christopher Marney

'Pas de six' from *Giselle*, choreography: Sir Peter Wright after Marius Petipa

I Don't Want to Set the World on Fire, choreography: Michael Pink

'Pas de trios' from *Illuminations*, choreography: Barry Moreland

Let Yourself Go!, choreography: Phillip Aiden

Song to St Andrew, choreography: David Nixon

'Pas de trios' from *Swan Lake Act 1*, choreography: traditional after Marius Petipa

Shift, choreography: Christopher Bruce

Twin Figures, choreography: Louise Bennett

Students participated in the following additional public performances:

City of London Festival, in a commissioned work by Silvestre Ponciano

A programme of second year choreography as part of the Design for Dance project with Central St. Martins Theatre Design Course, Rambert School of Ballet and Contemporary Dance and London Studio Centre

Guildhall School of Speech and Drama's production of Massenet's Cherubin

The Big Dance, Highbury Fields, Islington

In-house choreography platforms open to all three year groups

Circus Space

Second Year BA (Hons):

I Came to Live Out Loud ensemble performance, directed by Joyce Henderson

Third Year BA (Hons):

Step it Out directed by Sue Broadway. Residency and performance at the *Watch this Space* festival

Little Top, Big Shots at Zircus Plus in Barrow-in-Furness, produced by Daisy Drury

The Start of Something produced by Daisy Drury, at Latitude Festival in Suffolk

BA (Hons) Third Year Devised Pieces

London Academy of Music and Dramatic Art

Breathing Corpses by Laura Wade, directed by Mark Bell

The Glory of Living by Rebecca Gilman, directed by Philip Breen

O Go My Man by Stella Feehily, directed by Penny Cherns

The York Realist by Peter Gill, directed by Colin Cook

Meat/Money/Jesus by Mark Ravenhill, directed by Hester Chillingworth

The Libertine by Stephen Jeffreys, directed by Peter James

DeoxyriboNucleic Acid by Dennis Kelly

A Going Concern by Stephen Jeffreys

Nabokov's Gloves by Peter Moffat, directed by John Link

The Thousand and Second Night by Samantha Ellis, directed by Hannah Eidinow

An Inspector Calls by J.B. Priestley, directed by Joseph Blatchley

The Tempest by William Shakespeare

The Rosen Street Protest by Conor Mitchell, directed by Matt Peover

Guys and Dolls based on a story & characters by Damon Runyon, music and lyrics by Frank Loesser, directed by Anne Durham & Stephen Jameson

Nana by Olwen Wymark, adapted from the novel by Emile Zola, directed by John Baxter

Edmond & Sexual Perversity in Chicago by David Mamet, directed by Aaron Mullen

Master Harold... And the Boys by Athol Fugard, directed by Janet Suzman

A Russian In The Woods by Peter Whelan, directed by John Baxter

A Time To Keep by Stephanie Dale and David Edgar, directed by Penny Cherns

London Contemporary Dance School

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

Rumours, Visions, choreography: Richard Alston

FISSION, choreography: Jonathan Lunn

Rive, choreography: Kerry Nicholls

It's not me, It's you, choreography: Mina Aidoo

Unity Undone, choreography: Leila Bakhtali

Encounters, choreography: Byron Keown Barrio and Satyajit Ravindranath

Physical Cause, choreography: Dominick Mitchell-Bennett

After the End, choreography: James Cousins

Morse Code is..., choreography: Gareth Mole

Patesco, choreography: Serena Morgan

Moonlight Scat, choreography: Liam Riddick and Hannah Spencer

That's about the size of it, choreography: Janina Smith and Sam Shaw

Which is Witch?, choreography: Teerachai (Yaun) Thobumrung

0:001, choreography: Mina Aidoo with creative input from the dancers

Now the light falls, choreography: James Cousins

Mind's Eye, choreography: Neus Ledesma with creative input from the dancers

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

Bloom, choreography: Frauke Requardt with EDge dancers

Flux, choreography: Lucy Suggate

Decomposition 1, choreography: Wally Cardona

Decomposition 2, choreography: Wally Cardona Judy

get down, choreography: Nicholas Quinn with EDge dancers

Figure-ground, choreography: Rick Nodine Choreo

Magna, choreography: Darren Ellis

LC3, a touring programme of dance by graduating students:

White Man Sleeps, choreography: Siobhan Davies, restaged by Sasha Roubicek

Symposium, choreography: Neus Ledesma and Claire Dufois

Otta Here, choreography: Lydia Bolwell

No Tan Viejio, choreography: Nathan Johnston

The Dead Flag Blues, choreography: Jorge Crecis

Jammin, choreography: Lydia Bolwell

Separation, choreography: Thomas McCann

Greetings From, choreography: Claire Dufois and Vicky Busfield

Persona, choreography: Rebecca Yates

Hymos, choreography: Richard Alston, restaged by Kate Price

Morning Deliveries, choreography: Liam Riddick

Morse Code is..., choreography: Gareth Mole

That's about the size of it, choreography: Sam Shaw and Janina Smith

Patesco, choreography: Serena Morgan

Leverage, choreography: Nathan Johnston and Miranda Letten

Moonlight Scat, choreography: Liam Riddick and Hannah Spencer

Encounters, choreography: Byron Keown Barrio and Satyaajit Ravindranath

After the end, choreography: James Cousins

Quelqu'un M'a Dit, choreography: James Cousins and Aurelie Poles

Northern School of Contemporary Dance

Graduation performances and Student Showcases:

Green, choreography: Lucy Foster-Perkins

Undisturbed, choreography: Alex Rowland

The Crying Light, choreography: Jordan Massarella

A play of shadows, choreography: Silja Thomsen

Temporal Waltzes, choreography: Michael Schumacher in collaboration with Rachel Lancaster

Mojo Hill, choreography: NSCD students, directed by Debbie Johnson

Rhizome, choreography: Kathinka Walter

Various Birds, choreography: Charlie Morrissey

Is this where we are?, choreography: Leanne Pike and Silja Thomsen

Time Liners, choreography: Simon Birch

Only Human, choreography: Matthias Sperling

Verve 2010, postgraduate performance company of NSCD:

Temporal Waltzes, choreography: Michael Schumacher in collaboration with Rachel Lancaster and the dancers of Verve

A play of shadows, choreography: Silja Thomsen

Come rain or shine, choreography: Laila Diallo

Face it!, choreography: Luis Lara Malvacias

Physical chain, choreography: Kathinka Walter

Draw your mind, choreography: David Zambrano

Rambert School of Ballet and Contemporary Dance

Student bursary appeal evening:

Swan Lake, choreography: Erik Bruhn after Petipa

'The Polka' from *Façade*, choreography: Frederick Aston

Symphony in D, choreography: Mark Baldwin

Feather and Stone, choreography: Harriet Borne

Antea, choreography: Graeme Marsh

If you prick us do we not bleed?, choreography: Soledad De La Hoz

Diversion of Angels, choreography: Martha Graham

Duet, choreography: Helena Holland

March performances:

Neige, choreography: Ryu Suzuki

Hope, choreography: Soledad De La Hoz

Feather and Stone, choreography: Harriet Bone

Brahman, choreography: Kerry Nichols

With the Tide, choreography: Graeme Marsh

Mother and Others, choreography: Ross McKim

Swan Lake, choreography: Erik Bruhn after Petipa

Greyspot, choreography: David Ledger

Resolute, choreography: Hal Smith

To Paint a Picture, choreography: Jessica Lyall

Whatever You Think You Are, choreography: Ryu Suzuki

Unblock, choreography: Hal Smith

Vereor, choreography: Regina Wielingen

Diversions of Angels, choreography: Martha Graham

End of year performances were also comprised of the above pieces. In addition to this, there were student choreographic performances in December and May.

Royal Academy of Dramatic Art

A Lie of the Mind by Sam Shepard, directed by Tim Luscombe

La Dispute by Pierre de Marivaux, directed by Sebastian Harcombe

Lily Jones' Birthday by Glyn Maxwell (based on Aristophanes' *Lysistrata*, 410 BC), directed by Geoff Bullen

Janun Dementia by Jalila Baccar, directed by Manal Awad

Last Easter by Bryony Lavery, directed by Judith Christian

Victory at the Dirt Palace by Adriano Shaplin, directed by Chanya Button

A Midsummer Night's Dream by William Shakespeare, directed by Helen Strange

Othello by William Shakespeare, directed by Leo Wringer

Macbeth by William Shakespeare, directed by Nona Sheppard

Four by Christopher Shinn, directed by Mike Bradwell

Company music and lyrics by Stephen Sondheim, book by George Furth; directed by Edward Kemp

A Bright Room Called Day by Tony Kushner, directed by Rachel Grunwald

Loyal Women by Gary Mitchell, directed by Geraldine Alexander

Measure for Measure by William Shakespeare, directed by Jonathan Miller

The Man of Mode by George Etherege, directed by Bill Gaskill

Crimes in Hot Countries by Howard Barker, directed by Jonathan Moore

The Stone by Marius von Mayenburg, translated by Maja Zade, directed by Jonathan Cullen

Man and Superman by George Bernard Shaw

In Flame by Charlotte Jones

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF GOVERNORS

The Board of Governors is responsible for preparing the Report of the Board of Governors and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The Board of Governors is also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and with the Statement of Recommended Practice: Accounting for Further and Higher Education.

Company law requires the Board of Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Conservatoire and of the surplus or deficit of income over expenditure of the Conservatoire for that period. In preparing those financial statements the Governors are required to:

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

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

The Board of Governors has taken steps to:

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

Signed on behalf of the Board

John Myerscough
Clerk to the Board of Governors

24 November 2010

CORPORATE GOVERNANCE STATEMENT

For the year ended 31 July 2010

The Conservatoire is an independent corporation, established as a Higher Education Institution under the terms of the Education Reform Act 1988 and the Further and Higher Education Act 1992. Its objects, powers and framework of governance are set out in the Articles of Association, the current version of which was approved by the Board of Governors in August 2001 and by the Privy Council in July 2001.

The Board of Governors endeavours to conduct its business in accordance with the seven principles identified by the Committee of Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership). The Board has undertaken to comply with the guidance to institutions of higher education published by the Committee of University Chairs in its *Guide for Members of Higher Education Governing Bodies in the UK* (2009) except in respect of the number of meetings per year, where it was agreed to continue to meet three times per annum rather than four as required by the CUC Governance Code of Practice. It is felt that this is sufficient for an institution of the size and structure of the Conservatoire, as much of the business which might be undertaken by the governing body of a typical Higher Education Institution is, in the case of the Conservatoire, undertaken by affiliate governing bodies.

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

The Conservatoire has in place systems and procedures for effective management and requires that its affiliate schools have similar systems and procedures. The relationship between the Conservatoire and each of its affiliate schools is governed by a Financial Memorandum and Operating Agreement.

A summary of the Conservatoire's arrangements is given below.

Board of Governors

The Board of Governors, which meets formally at least three times a year, comprises lay and academic persons appointed in accordance with the Conservatoire's Articles of Association. There is a clear separation of roles of the non-executive Chairman and other non-executive Governors and the Conservatoire's Chief Executive, the Joint Principal. Staff and students are represented on the Board. The Board approves the Conservatoire's long-term objectives and strategies and provides overall financial and organisational control. The Board has a number of committees including a Finance Committee, an Audit Committee, a Nominations Committee and other ad hoc committees as required from time to time. The Conservatoire also has in place an Academic Board which is responsible for overseeing the academic development of the Conservatoire and advising the governors. The responsibilities of the Board of Governors are set out on page 20.

Finance Committee

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

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

The Finance Committee completed a self-assessment during 2009-10.

Audit Committee

The Committee comprises a Chair, who is an independent member of the Board of Governors, with at least two further independent Governors. The Committee meets at least three times a year. The internal and external auditors of the Conservatoire are invited to these meetings. The Committee reviews their work.

The Committee considers internal audit reports, together with recommendations for the improvement of the Conservatoire's systems of internal control and management's responses and implementation plans. It also receives and considers reports from HEFCE insofar as they affect the Conservatoire's business and monitors adherence with the regulatory requirements. It reviews the Conservatoire's annual financial statements, together with the accounting policies, and exercises a monitoring role over the internal control systems of the affiliates. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the Committee and the Committee meets with the external auditors and internal audit on their own for independent discussions.

Academic Board

The Academic Board is chaired by the Joint Principal of the Conservatoire (in rotation) and membership comprises the Principal of each affiliated school, one further member nominated by each affiliated school and three student representatives (one each from a dance, drama and circus school affiliated to the Conservatoire). There is provision for up to three co-opted members although no members were co-opted during 2009-10.

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

The Board is also responsible for encouraging and facilitating collaboration between affiliated schools and for identifying and disseminating good practice in learning and teaching. The Academic Board has three committees supporting its work: the Learning and Teaching Committee, Quality Assurance Committee and Joint Artistic Committee.

Nominations Committee

This Committee comprises the Chairman of the Board of Governors and two other independent members of the Board. This Committee advises the Board of Governors in relation to the appointment of independent members of the Board as and when required.

Remuneration Committee

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

Principals' Management Group

The Joint Principal (two principals) carries out the responsibilities as Chief Executive of the Conservatoire, and is responsible for the organisation, direction and management of the institution and the leadership of the staff. One Joint Principal is designated as the Accountable Officer and takes responsibility for the conduct of the business of the Conservatoire. The Principals' Management Group (PMG) consists of all the Principals of affiliate schools led by the Joint Principal. It holds executive responsibility for the management of the Conservatoire. PMG deliberates on policy, receives minutes from the Conservatoire's various working groups and committees, considers recommendations from these bodies and determines the Conservatoire's executive actions. For administrative and practical reasons, the Joint Principal meets weekly with the Administrative Director and a consultant Development Adviser. Full meetings of the PMG are held three or four times a term.

Internal Control and Risk Management

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

The Board is committed to exhibiting best practice in all aspects of corporate governance, and acknowledges that it is responsible for ensuring that a sound system of control is maintained. During the year, the Board continued to follow the requirements of HEFCE guidance and has carried out a review of the effectiveness of internal control processes, including the effective management of risk. From 1 August 2009 to the date of approval of these annual accounts the Conservatoire itself was fully compliant with HEFCE requirements, except in respect of the number of Board meetings which remain at three per year.

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

- clear definitions of the responsibilities of the respective members of the management team;
- annual monitoring of academic and quality assurance mechanisms within affiliates;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of financial results involving variance reporting and updates of forecast outturns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review as determined by the Board;
- comprehensive Financial Regulations and

Procedures, detailing financial controls and procedures approved by the Board;

- internal audit: apart from its normal programme of work, internal audit is responsible for aspects of the annual review of the adequacy and effectiveness of the internal control system within the organisation, together with recommendations for improvement;
- external audit, which provides feedback to the Audit Committee on the operation of the internal financial controls reviewed as part of the annual audit; and
- specific processes for assessing accountability for funds allocated to affiliates.

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

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

- affiliates fulfilling their obligation under the terms of the Financial Memorandum to inform the Conservatoire of any event that has a material adverse impact on their financial situation.

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

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

- the Audit Committee is required to report to the Board of Governors at each Board meeting on internal controls and alert governors to any emerging issue; in addition, the Audit Committee oversees internal audit and external audit. The Audit Committee is therefore well-placed to provide advice to the board on the effectiveness of the internal control system, including the institution's system for the management of risk.

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

- the work of the Principals' Management Group within the institution, which has responsibility for the development and maintenance of the internal control framework;
- the work of the in-house internal auditor, who operates to standards defined in the HEFCE Accountability and Audit Code of Practice;
- comments made by the external auditors in their management letter and other reports; and
- any other sources of internal or external review or evaluation which might contribute to the assessment. In 2009-10 there were two such reviews: an Institutional Audit by the Quality Assurance Agency (a judgment of 'confidence' was given) and an audit of the 2009-10 Higher Education Students Early Statistics Survey undertaken by KPMG on behalf of HEFCE (judged to have confidence in the Conservatoire's systems).

Sir Robert Reid
Chairman of the Board

Veronica Lewis MBE
Joint Principal and
Accountable Officer

Edward Kemp
Joint Principal

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

We have audited the financial statements of the Conservatoire for Dance and Drama for the year ended 31 July 2010 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Board of Governors and Auditors

The Board members' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice on Accounting for Further and Higher Education Institutions and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Responsibilities of the Board of Governors.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) and the Accountability and Audit Code of Practice issued by the Higher Education Funding Council for England.

We report to you our opinion as to whether the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice on Accounting for Further and

Higher Education Institutions, have been prepared in accordance with the Companies Act 2006, and give a true and fair view. We also report to you whether, in our opinion, the information given in the Report of the Board of Governors is consistent with those financial statements.

In addition, we report to you if, in our opinion, the Conservatoire has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Board members' remuneration specified by law are not made.

We also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the Conservatoire have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Financial Memorandum with the Higher Education Funding Council for England.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Corporate Governance Statement and the Statement of Responsibilities of the Board of Governors. We consider the implications for our report if we become aware of any misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and the Accountability and Audit Code of Practice issued by the Higher Education Funding Council for England. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board members in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the Conservatoire, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the Conservatoire as at 31 July 2010 and of its deficit of income over expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: “Accounting for Further and Higher Education Institutions”;
- the financial statements have been properly prepared in accordance with the Companies Act 2006;
- the information given in the Report of the Board of Governors is consistent with the financial statements;
- in all material respects income from the Higher Education Funding Council for England, Training and Development Agency for Schools, grants and income for specific purposes and from other restricted funds administered by the Conservatoire have been applied only for the purposes for which they were received; and
- in all material respects income has been applied in accordance with the Conservatoire’s statutes and where appropriate with the applicable Financial Memorandums with the Higher Education Funding Council for England.

James Aston
(Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Epsom, United Kingdom
24 November 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

The Conservatoire for Dance and Drama

INCOME AND EXPENDITURE ACCOUNT for the year ended 31 July 2010

	Note	2010 £	2009 £
Income			
Funding council grants	2	12,044,906	11,602,144
Tuition fees	3,4	4,765,900	4,474,181
Interest receivable		4,728	25,604
Miscellaneous income		9,019	22,637
Total income		16,824,553	16,124,566
Expenditure			
Grant allocations to affiliates	4	15,796,125	14,859,924
Bursary fund	12	501,856	467,579
Staff costs	5	369,092	367,386
Other operating expenses	6	276,259	323,783
Total expenditure		16,943,332	16,018,672
(Deficit)/retained surplus for the period		(118,779)	105,894
Balance brought forward		714,076	608,182
Balance carried forward		595,297	714,076

The income and expenditure account is in respect of continuing activities for the year ended 31 July 2010.

There were no recognised gains or losses other than the deficit for the year.

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

The notes on pages 30 to 36 form part of these financial statements.

The Conservatoire for Dance and Drama

BALANCE SHEET as at 31 July 2010

<i>Company number: 04170092</i>	Note	2010 £	2009 £
Fixed assets			
Tangible assets	7	<u>9,440</u>	<u>4,780</u>
Current assets			
Debtors	8	28,168	34,512
Cash at bank	10(c)	<u>813,526</u>	<u>1,244,091</u>
		841,694	1,278,603
Creditors: Amounts falling due within one year	9	<u>246,397</u>	<u>567,251</u>
Net current assets		595,297	711,352
NET ASSETS		<u>604,737</u>	<u>716,132</u>
Deferred capital grant	13	9,440	2,056
Reserves			
Income and expenditure account		595,297	714,076
TOTAL FUNDS		<u>604,737</u>	<u>716,132</u>

The notes on pages 30 to 36 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Governors on 24 November 2010 and signed on its behalf by:

Sir Robert Reid
Chairman of the Board

Veronica Lewis MBE
Joint Principal and
Accountable Officer

Edward Kemp
Joint Principal

The Conservatoire for Dance and Drama

CASH FLOW STATEMENT for the year ended 31 July 2010

	Note	2010 £	2009 £
Net cash (outflow)/inflow from operating activities	10(a)	(423,493)	190,115
Returns on investments and servicing of finance	10(b)	4,728	25,604
Capital expenditure to acquire tangible fixed assets	7	(11,800)	-
(Decrease)/increase in cash in the period	10(c)	<u>(430,565)</u>	<u>215,719</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash in the period	10(c)	(430,565)	215,719
Net funds at 1 August		<u>1,244,091</u>	<u>1,028,372</u>
Net funds at 31 July		<u>813,526</u>	<u>1,244,091</u>

The notes on pages 30 to 36 form part of these financial statements.

The Conservatoire for Dance and Drama

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES for the year ended 31 July 2010

1 Accounting convention

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

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

With the exception of the introduction of the policy for matched funding, these accounting policies remain unchanged from the previous year.

2 Recognition of income

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

3 Leases

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

4 Equipment

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

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

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

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

5 Taxation status

The Conservatoire believes that it is exempt from income tax, corporation tax, capital gains tax and, where relevant, value added tax. Tax suffered on expenditure is included under the various expenditure heads.

6 Matched funding

CDD is registered in tier 2 of the HEFCE matched funding scheme which gives £1 for every qualifying donation of £2 to a maximum of £2.7m in donations. The scheme is scheduled to run for three years with a proportion the matched funding being paid in the first and second years irrespective of the amount of donations received in each prior year. Because the donations are not shown in the Conservatoire's accounts and because of lack of certainty over the continuation of the scheme into second and third years, income has been accounted for on a receipts basis rather than an accruals basis.

The Conservatoire for Dance and Drama

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2010

1 Application of HEFCE funding - Related party transactions

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

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

	2010 £	2009 £
Higher Education grants	11,345,496	10,740,471
Other payments in respect of staff, services etc:		
London Contemporary Dance School	35,950	35,955
Royal Academy of Dramatic Art	4,233	-
Bristol Old Vic Theatre School	-	-
Northern School of Contemporary Dance	-	-
Circus Space	2,117	6,345
Central School of Ballet	-	-
London Academy of Music and Dramatic Art	-	-
Rambert School of Ballet and Contemporary Dance	-	-
	<u>11,387,796</u>	<u>10,782,771</u>

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

London Contemporary Dance School	78,349	52,833
Royal Academy of Dramatic Art	4,331	2,048
Bristol Old Vic Theatre School	6,273	12,058
Northern School of Contemporary Dance	2,619	4,038
Circus Space	-	3,175
Central School of Ballet	-	1,535
London Academy of Music and Dramatic Art	-	-
Rambert School of Ballet and Contemporary Dance	-	-
	<u>91,572</u>	<u>75,687</u>

The Conservatoire for Dance and Drama

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2010

2 Funding Council grants

	Note	2010 £	2009 £
HEFCE			
Recurrent grants		10,374,943	10,506,783
Selective initiatives		214,598	267,245
Matched funding		459,087	-
Capital grants received		897,326	687,789
Deferred grant released in year	13	4,416	8,055
Capital grant deferred	13	(11,800)	-
Capital grant deferred - current liabilities	9	(26,393)	-
		<u>11,912,177</u>	<u>11,469,872</u>
Further Education			
Grants receivable		132,729	132,272
		<u>12,044,906</u>	<u>11,602,144</u>

3 Tuition fees

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

4 Allocations to affiliates

	2010 £	2009 £
London Contemporary Dance School	2,519,856	2,301,791
Royal Academy of Dramatic Art	2,382,715	2,433,082
Bristol Old Vic Theatre School	2,076,960	2,176,987
Northern School of Contemporary Dance	2,242,510	2,129,822
Circus Space	810,260	955,646
Central School of Ballet	1,635,935	1,444,861
London Academy of Music and Dramatic Art	2,494,195	2,206,299
Rambert School of Ballet and Contemporary Dance	1,633,694	1,211,436
	<u>15,796,125</u>	<u>14,859,924</u>

Comprising allocations of income received as follows:

Recurrent grant from HEFCE	9,822,183	9,840,343
Specific grants from HEFCE	1,523,313	900,128
Further education grants	132,729	132,272
Tuition fees - UK and EU students	3,327,117	3,158,362
Tuition fees - overseas students	1,438,783	1,315,819
Bursary fund contributions	(448,000)	(487,000)
	<u>15,796,125</u>	<u>14,859,924</u>

The Conservatoire for Dance and Drama

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2010

5 Staff costs

	2010	2009
	no.	no.
Staff – full time	5	6
Staff – part time	8	4
	£	£
Direct salary costs	284,659	279,973
Social security costs	29,113	29,066
Other direct staff costs	55,320	58,347
	<u>369,092</u>	<u>367,386</u>
Amounts payable to affiliates in respect of the Joint Principals	<u>42,300</u>	<u>42,300</u>

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

No remuneration was paid to any Governor or the Joint Principals. No payment was made to any Governor or to any party connected to a Governor, other than to affiliates, for services provided. One of the Joint Principals claimed expenses during the year, which arose during the ordinary course of Conservatoire operations. In total these were less than £1,000. No other Governor claimed any expenses. The Conservatoire has in place Directors' and Officers' insurance.

6 Other operating expenses

	2010	2009
	£	£
Office expenses	63,654	68,549
Premises	56,740	75,563
Subscriptions	47,319	39,142
Communications and consultants	42,245	49,717
Project costs	40,516	64,273
External auditor's remuneration	17,625	13,628
Depreciation	7,140	12,175
Bank charges	1,020	736
	<u>276,259</u>	<u>323,783</u>

The Conservatoire for Dance and Drama

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2010

7 FIXED ASSETS

	Fixtures & Fittings £	Computer Equipment £	Database £	Total £
At cost				
At 1 August 2009	5,105	50,708	24,249	80,062
Additions	11,800	-	-	11,800
Disposals	-	(21,654)	-	(21,654)
At 31 July 2010	<u>16,905</u>	<u>29,054</u>	<u>24,249</u>	<u>70,208</u>
Depreciation				
At 1 August 2009	5,105	48,013	22,164	75,282
Charges for the year	2,360	2,695	2,085	7,140
Disposals	-	(21,654)	-	(21,654)
At 31 July 2010	<u>7,465</u>	<u>29,054</u>	<u>24,249</u>	<u>60,768</u>
Net book value				
At 31 July 2010	<u>9,440</u>	<u>-</u>	<u>-</u>	<u>9,440</u>
At 31 July 2009	<u>-</u>	<u>2,695</u>	<u>2,085</u>	<u>4,780</u>

The Conservatoire is committed to make the following payments in the next year under an operating lease:

	2010 £	2009 £
Land and buildings	<u>43,500</u>	<u>43,500</u>

8 Debtors

	2010 £	2009 £
Prepayments	28,168	34,375
Other debtors	-	137
	<u>28,168</u>	<u>34,512</u>

9 Creditors: amounts falling due within one year

	2010 £	2009 £
Amounts due to affiliates (see note 1)	91,572	75,687
Allocations pending	79,347	402,834
Deferred capital grant	26,393	-
Other creditors	28,519	34,880
Accruals	20,566	53,850
	<u>246,397</u>	<u>567,251</u>

The Conservatoire for Dance and Drama

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2010

10 Notes to the Cash Flow Statement

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

	2010	2009
	£	£
(Deficit)/surplus for the period	(118,779)	105,894
Decrease in debtors and prepayments	6,344	648
(Decrease)/increase in creditors	(320,854)	105,057
Bank interest received included in income	(4,728)	(25,604)
Depreciation	7,140	12,175
Capital grant deferred	11,800	-
Deferred capital grant released	(4,416)	(8,055)
Net cash (outflow)/inflow from operating activities	<u>(423,493)</u>	<u>190,115</u>

(b) Returns on investments and servicing of finance

	2010	2009
	£	£
Bank interest receivable	4,728	25,604
Net cash inflow from returns on investments	<u>4,728</u>	<u>25,604</u>

(c) Analysis of changes in net funds

	2010	2009
	£	£
Cash at bank		
Balance at 1 August	1,244,091	1,028,372
Cash flows	(430,565)	215,719
Balance at 31 July	<u>813,526</u>	<u>1,244,091</u>

11 Student support funds

	2010	2009
	£	£
Balance at 1 August	-	-
HEFCE grants	18,668	20,762
Disbursed to affiliates	(18,668)	(20,762)
Balance at 31 July	<u>-</u>	<u>-</u>

The Conservatoire for Dance and Drama

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2010

12 Bursary Fund

The Bursary Fund was established in 2006-07 to make payments of bursaries on a means-tested basis to UK students of the Conservatoire in financial need. This is a statutory responsibility, which is monitored by the Office of Fair Access (OFFA). Higher Education Institutions are required to make statutory bursary payments in return for permission to charge top-up fees (see note 3). They form part of a package of financial measures providing student support, alongside the loans and grants which the Government makes available. The means-testing of the Conservatoire's bursary programme is aligned in qualifying bands with the Government's own programme of grants to students in need.

13 Deferred capital grant

	2010 £	2009 £
Balance at 1 August	2,056	10,111
Deferred in year	11,800	-
Released to Income and Expenditure account	<u>(4,416)</u>	<u>(8,055)</u>
Balance at 31 July	<u>9,440</u>	<u>2,056</u>