

Royal Ballet School
(A Company Limited by Guarantee)
FINANCIAL STATEMENTS
for the year ended
31 August 2010



Charity Registration No 214364
Company Registration No 547018

Royal Ballet School

REFERENCE AND ADMINISTRATIVE DETAILS

DIRECTORS

Lady Antonia Douro OBE (Chairman)
Mr Jonathan Chenevix-Trench
Mr Nicolas Chisholm
Mrs Ricki Gail Conway
Mr Richard Cunis
Ms Clarissa Farr (appointed 14 October 2009)
Mr Anthony Hall
Ms Janet Lambert
Sir David Lees
Professor Margaret Maden
Dame Monica Mason DBE
Mr Patrick Maxwell, ACA
Mr Charles Parker (resigned 14 October 2009)
Miss Madeleine Plaut
Dame Antoinette Sibley DBE
Mr Edmund Wallis
Mrs Candida Hurst-Brown

SECRETARY

Mr Alan Winter

REGISTERED OFFICE

46 Floral Street
Covent Garden
London WC2E 9DA

AUDITOR

Crowe Clark Whitehill LLP
(previously called Horwath Clark Whitehill LLP)
St Bride's House
10 Salisbury Square
LONDON
EC4Y 8EH

BANKERS

Lloyds TSB Bank plc
City of London
39 Threadneedle Street
London EC2R 8AU

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

SOLICITORS

Forsters
31 Hill Street
London W1J 5LS

Royal Ballet School

REPORT OF THE GOVERNORS

The Governors submit their report and the financial statements of the Royal Ballet School for the year ended 31 August 2010

STRUCTURE AND GOVERNANCE

The School is a Charitable Company Limited by Guarantee (Company Number 547018) incorporated in 1955 and is a Registered Charity, number 214364. Information on a connected charity is given in Note 21 to the financial statements.

The Company was established under a Memorandum of Association which established the objects and powers of the Charitable Company and is governed under its Articles of Association.

The School is governed by a Board of Governors whose members are also Directors of the Company and Charity Trustees. The Board is responsible for overseeing the strategy and policies for the School and meets formally three times annually as well as holding other meetings as required to perform its duties.

The directors of the Company during the year were the Members of the Board of Governors who were

Mr Jonathan Chenevix-Trench	
Mr Nicolas Chisholm	
Mrs Ricki Gail Conway	
Mr Richard Cunis	
Lady Antonia Douro, OBE	
Ms Clarissa Farr	(Appointed 14th October 2009)
Mr Anthony Hall	
Mrs Candida Hurst-Brown	
Ms Janet Lambert	
Sir David Lees	
Professor Margaret Maden	
Dame Monica Mason, DBE	
Mr Patrick Maxwell, ACA	
Mr Charles Parker	(Resigned 14th October 2009)
Miss Madeleine Plaut	
Dame Antonette Sibley, DBE	
Mr Edmund Wallis	

Lady Sainsbury, CBE is Governor Emerita of the School.

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

- Dance Policy Committee
- Academic & Pastoral Committee
- Finance Committee
- Development & Funding Committee
- Nominations Committee
- Remuneration Committee

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

The policy of the School is to secure the services of Governors from a wide variety of backgrounds whose skills and experience meet the needs of the School. The Nominations Committee meets regularly and reviews the composition of the Board, taking into account the need for succession planning as existing Governors retire.

All Governors are inducted into the operations of the School through briefings with the Chairman, Director and members of the Senior Management Team. The training needs of Governors are reviewed from time to time and support provided as necessary. In addition, regular presentations are made to the Governing body on key issues of current and ongoing importance.

Royal Ballet School

REPORT OF THE GOVERNORS

The day-to-day operations of the School are managed by the Senior Management Team led by the Director. The Director in control of the day-to-day running of the school is Gailene Stock, who is not a Member of the Board of Governors or a company director. During the year the Senior Management Team comprised the following staff:

Director	Ms Gailene Stock
Chief Operating Officer	Mr Alan Winter
Assistant Director	Mr Jay Jolley
Academic and Pastoral Principal	Mr Martin Fosten (retired 31 August 2010)
	Dr Charles Runacres (appointed from 1 September 2010)
Head of Lower School	Ms Philippa Hogg-Andrews
Ballet Principal Lower School	Ms Diane van Schoor
Deputy Head of Lower School	Mr Simon Bushnell
Principal – Outreach Programme	Ms Kathryn Wade
Head of Development	Ms Sarah Eliot-Cohen
Head of Finance	Ms Pippa Adamson

The School has taken out indemnity insurance for the trustees at a cost of £4,300 (2009 £4,579)

OBJECTS AND PRINCIPAL ACTIVITIES

The School's aims are to

- Train and educate full time students towards a career as classical ballet dancers
- Supply The Royal Ballet and Birmingham Royal Ballet with the majority of their dancers
- Recruit these students in the United Kingdom and throughout the world using its Outreach Programme
- Maintain its standing as a world class centre of excellence
- Contribute to the raising of national and international classical ballet teaching standards
- Nurture the young people within its care and to fulfil its responsibilities to students and their parents

The School is located on two main sites where full-time pupils and students are trained and educated. The Lower School is based at White Lodge in Richmond Park and is a boarding school for 11 to 16 year olds. The Upper School in Covent Garden trains students aged 16 to 18. In addition some Upper School Years 1 and 2 students are accommodated at Wolf House in West London and Jebson House in Covent Garden.

The School's primary objectives are to ensure the highest standards of balletic training and education of its students. These are measured by the rate of employment by international dance companies of the graduate students and the academic results achieved by students taking public examinations.

The School's Outreach programme seeks, amongst other things, to provide dance training to children from the UK who are not full-time students with the School with a particular view to assisting the most talented students to gain a full-time place in the future. Children aged 8 to 12 attend Junior and Mid-Associate classes weekly or monthly at various centres throughout the UK. Pupils aged 13 to 15 attend Senior Associate classes fortnightly in London and Birmingham. The School also runs Junior and Senior International Summer Schools for two weeks in July/August.

The Partnership & Access Programme was established to share the School's expertise and facilities with other schools and organisations across the UK as well as to provide greater opportunities for members of the public to access its facilities and observe the School's activities.

In addition to on-going monitoring and development of the School's core activities as outlined above, other specific objectives during the year and for the immediate future included the following:

Royal Ballet School

REPORT OF THE GOVERNORS

- Consolidation of School activity following the successful completion of the redevelopment of White Lodge
- Increase fund raising for supporting scholarships
- Raise funds for the remaining major maintenance and landscaping works required at White Lodge
- The acquisition of additional residential accommodation for Upper School Year 3 students

PUBLIC BENEFIT

The School makes a major contribution to the country's international reputation for arts and culture, specialising in the area of dance and in particular, the classical ballet art form. A place at the School is open to any young person who possesses the potential and talent to become a professional classical ballet dancer irrespective of their social or financial background, or their nationality. To this end a combination of public, private and charitable funding is available to pay for students attending the School. The Department for Education (DfE) provides grants from its Music & Dance Scheme for up to 184 fully funded UK based students or partially funded EU country based students. A small number of students pay private tuition fees. Students (mainly international but not exclusively) can be partly or fully funded from the School's charitable Endowment Fund or charitable donations. In addition, the School participates in a national Partnership & Access programme also funded by the DfE. This partnership programme with State Schools gives children of both primary and secondary school age access to classical ballet through the School's students and network of teaching expertise. There are five centres around the country in Blackpool, Bury St Edmonds, Dagenham, Swindon and Nottingham. The scheme also funds a publicly accessible ballet museum, which is based at White Lodge in Richmond Park, London. A second form of outreach programme exists in the School's national and international Associate programme. The programme offers young people regular access to classes (weekends in term time) and residential courses (one or two weeks in school Easter or summer holidays). In setting the objectives and planning the activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

ACHIEVEMENTS AND PERFORMANCE

In September 2009, the School had 125 full-time pupils at the Lower School, 86 full-time pupils on the Upper School Dancers' Course. These figures were comparable to the previous year and the School seeks to maintain student numbers around current levels for the foreseeable future.

There was a successful campaign to raise scholarship funding for students joining in the academic year 2010-11. 13 new scholarships ranging from £3,500 to £30,000 were generously donated and a further 28 donors joined together to provide a full scholarship for an international student for 3 years commencing September 2010.

All of the graduate students who were able to audition won professional contracts in spite of continuing difficult world economic conditions.

The School's full-time students achieved a 100% pass rate in GCSE examinations (94.3% Grades A* to C), a 100% pass rate in BTEC examinations, a 100% pass rate in AS levels and a 100% pass rate at A level. These were extremely pleasing results given the wide range of academic abilities within the School that arises from an admissions policy based on balletic potential rather than academic achievement.

The Outreach programme continued to attract high levels of interest for places and in September 2009 there were 2,258 applications and 1,982 auditions were held. As a result, 214 joined 242 students on the Associates Course. A further 373 students attended the Junior and Senior International Summer Schools in 2010. Some 91% of the students joining the junior year at the Lower School had previously been trained on the Associates programme. In addition, 6 of the participants on the 2010 Summer School were offered full-time places in the School.

The Partnership and Access Programme continued to grow during the year and the School is working with three secondary schools in London as well as having commenced a 3-year partnership with Bispham High School in Blackpool and four other schools in that area. At primary level, the partnership with Dagenham Park Community School and 4 feeder primaries in East London, continued, and a new partnership was established

Royal Ballet School

REPORT OF THE GOVERNORS

in Swindon with Swindon Dance, Churchfields School and 4 local primary schools

The White Lodge redevelopment fund raising appeal was successfully completed in 2010 with the target figure of £22m being achieved

Conversion of the remaining two flats at Jebson House into student accommodation was completed in the 2010 summer break. Additionally, both Jebson and Wolf Houses and the Upper School premises at Floral Street received full external redecoration and repair under the planned maintenance programme. The Academic block roof and window repairs programme also continued at White Lodge over the same period.

OFSTED carried out a re-inspection of the boarding facilities at Wolf House and White Lodge in March 2010 and the School's facilities were found to meet the National Minimum Boarding Standards.

FINANCIAL REVIEW

The key to the School's financial stability is the agreement it has with the DfE. The core of the School's income comes from the DfE in the form of means tested grant aid to parents under the Music and Dance Scheme – places on the scheme are available to students from the UK and European Economic Area who meet the appropriate residency requirements. Other students, especially at the Upper School, are funded by their parents and by grants that the School receives from a number of trusts, foundations and individuals. A breakdown of the School's funding is shown in Note 1 on page 17.

Total income remained higher than would normally be the case because of donations received for the White Lodge redevelopment appeal. Operating income and expenditure in respect of on-going activities was broadly in line with budgeted expectations.

A surplus of £741,000 arose on the Appeal Fund in respect of donations received for the White Lodge redevelopment. These funds along with funds brought forward will be used to repay the £1.5 million loan drawn in July 2009. The School was given a grant of £945,000 in 2008 by the DfE for the purpose of completing backlog repairs and maintenance works not included in the redevelopment programme. A remaining balance of £70,000 on this fund will be applied to further maintenance and repairs work in 2010/11. The restricted Partnership and Access fund generated a surplus of £60,000 after £72,000 of unused funds for the Ballet Museum was transferred from the restricted White Lodge Appeal fund back to the Partnership and Access fund. A surplus arose on the Bursary and Prize Fund of £89,000. The total surplus, before transfers, on restricted funds was £399,000.

Surpluses on operating activities were offset by the depreciation charge for the year. The net movement in funds for the year across all activities pre pension deficit was £1,211,000 representing the surplus on restricted funds before transfers (£399,000), the deficit on unrestricted funds before transfers (£1,610,000) and the actuarial loss on the defined benefit pension scheme (£313,000).

White Lodge Redevelopment Project

In November 2005 the School surrendered its existing lease and entered into an agreement to lease the land and buildings at White Lodge for a further 100 years. At the same time it commenced a major redevelopment of the premises, contracting with Haymills (Contractors) Ltd to build new student accommodation, a new Dining Hall, two new dance studios as well as to refurbish the existing buildings. The entire project was completed at the end of February 2009 within the budgeted cost of £22 million.

In November 2005 the School also entered into a Loan Facility Agreement with Barclays Bank plc. This provided loan finance for the White Lodge redevelopment of up to £10 million until 31 December 2009. Thereafter up to £7 million will be available, subject to a repayment schedule, until November 2030. Under this agreement, the School took out a loan of £1.5m in July 2009.

Reserves Policy

Since the School is funded annually by the DfE based on break-even budgets and given the nature of the School's funding, the School's reserves policy is not to build up significant free reserves but to maintain sufficient working capital to allow the School to fund its day to day operations.

Royal Ballet School

REPORT OF THE GOVERNORS

The School's unrestricted undesignated funds were £424,000 at the year end if the pension fund liability of £627,000 (which will not crystallise in the short-term) is not included. This level of reserves is considered to be adequate given the current policy.

Restricted and Designated Funds

Notes 15 to 17 to the financial statements set out an analysis of the School's restricted and designated funds and their attributable assets. These assets are sufficient to meet the charity's obligations on a fund by fund basis. The School's tangible assets are all held for use in the School. An explanation of the various funds is set out in the Accounting Policies note on page 16.

RISK MANAGEMENT

The Governors are responsible for the management of the risks faced by the School assisted by the Finance Committee. The Finance Committee reviews the risk register and assisted by the Director, Chief Operating Officer and other members of the School's Senior Management Team and reports 6 monthly to the main Board of Governors.

A detailed Risk Register has been produced by the Senior Management Team and this is reviewed and updated each term. The Finance Committee reviews the major risks identified annually. Key controls used by the Governors to identify and assess risks during the year include:

- Appointment of appropriate consultants to advise with regard to risk management within the School
- The initiation of a formal programme of risk assessments and steps taken to mitigate those risks identified
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Formal authorisation and approval levels

The major risks identified include the following:

- Excessive demands on students in relation to their balletic training, academic education and performing responsibilities
- Loss of or reduced levels of funding from the DfE or inability of parents to meet their contributions to fees in the current economic climate
- Loss or reduced funding from the DfE for the Partnership & Access programme
- Inability to attract the most talented students because of limited funding available for scholarships
- Possible increase in Pension Fund Deficit

Various strategies are in place to manage these risks and to ensure that they do not adversely affect the School's operations or the welfare of its students.

Through the above risk management processes, the Governors anticipate that major risks will be identified and as far as practicable adequately mitigated. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

PLANS FOR FUTURE PERIODS

The School produces an annual operating budget. The School's management produced a revised business plan in 2010 which was duly approved by the Governors in May 2010. This plan runs until August 2013 and the School's primary current objectives are to continue to develop its excellent level of balletic and academic performance for full-time and part-time students. The School expects there to be pressure on the DfE's funding of the Music and Dance Scheme over the next 5 years. The Governors will continue to work closely with the Senior Management Team to monitor the situation and adapt any future plans as circumstances demand.

The Partnership and Access Programme expanded further with the development of partnerships with more schools in Nottingham in 2010. A period of consolidation is expected now that the three year plan agreed with the DfE has been implemented.

Royal Ballet School

REPORT OF THE GOVERNORS

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

AUDITOR

On 1st October 2010 Horwath Clark Whitehill changed its name to Crowe Clark Whitehill.

A resolution to reappoint Crowe Clark Whitehill, Chartered Accountants, as auditor will be put to the members at the annual general meeting.

By order of the Board



Lady Antonia Douro OBE
Chairman of Governors

23rd February 2011

Royal Ballet School

STATEMENT OF GOVERNORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming resources for that period. In preparing these financial statements, the Trustees 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 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 to operate

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and 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

Royal Ballet School

AUDITOR'S REPORT

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

We have audited the financial statements of The Royal Ballet School for the year ended 31 August 2010 set out on pages 11 to 28. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 Governors and auditor

The Governors' (who are also the directors of The Royal Ballet School for the purpose of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Governors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you if in our opinion the information given in the Governors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if the charity's financial statements are not in agreement with those records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding Governors' remuneration and other transactions with the charity is not disclosed.

We read the Governors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. 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 judgments made by the Governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, 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.

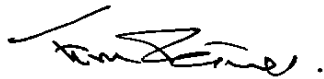
Royal Ballet School

AUDITOR'S REPORT

Opinion

In our opinion

- the financial statements give a true and fair view, of the state of affairs of the charitable company as at 31 August 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Governors' Report is consistent with the financial statements



Tim Baines
Senior Statutory Auditor
for and on behalf of Crowe Clark Whitehill LLP
Chartered Accountants and Statutory Auditor

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

Date 23 February 2011

Royal Ballet School
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
for the year ended 31 August 2010

	Notes	Unrestricted Funds			Total 2010 £000	Total 2009 £000
		General Fund £000	Designated Funds £000	Restricted Funds £000		
Incoming resources from generated funds						
Voluntary income						
Donations		112	-	1,125	1,237	3,193
Activities for generating funds						
Investment income	2	3	1	3	7	35
Other income		13	-	-	13	22
Incoming resources from charitable activities						
Full time students	1	6,750	-	-	6,750	6,839
Outreach activities		555	-	-	555	578
Partnership programme		-	-	581	581	600
Performances and tours		94	-	-	94	129
TOTAL INCOMING RESOURCES		7,527	1	1,709	9,237	11,396
RESOURCES EXPENDED						
Costs of generating funds						
Voluntary income	3	152	-	12	164	197
		152	-	12	164	197
Charitable activities						
Full time students		6,062	1,672	426	8,160	6,470
Outreach activities		802	84	32	918	926
Partnership programme		13	-	824	837	722
Performances and tours		285	42	16	343	349
	4	7,162	1,798	1,298	10,258	8,467
Governance costs	6	26	-	-	26	113
TOTAL RESOURCES EXPENDED	7	7,340	1,798	1,310	10,448	8,777
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS						
Gross transfers between funds	9	187 (152)	(1,797) (19)	399 171	(1,211) -	2,619 -
NET INCOMING/(OUTGOING) RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES		35	(1,816)	570	(1,211)	2,619
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial Losses on Defined Benefit Pension Scheme	22	(313)	-	-	(313)	(584)
NET MOVEMENT IN FUNDS		(278)	(1,816)	570	(1,524)	2,035
TOTAL FUNDS BROUGHT FORWARD		75	32,171	1,761	34,007	31,972
TOTAL FUNDS CARRIED FORWARD	15,16	(203)	30,355	2,331	32,483	34,007

Net incoming resources for the year arise from the charity's continuing operations

Royal Ballet School

BALANCE SHEET

31 August 2010

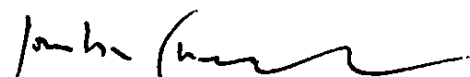
	Notes	2010 £000	2009 £000
FIXED ASSETS			
Tangible assets	10	31,999	32,690
CURRENT ASSETS			
Debtors	11	1,689	1,246
Cash at bank and in hand		3,919	5,034
		<u>5,608</u>	<u>6,280</u>
CREDITORS Amounts falling due within one year			
School fees in advance	12	(2,263)	(2,477)
Trade and other creditors	13	(734)	(632)
		<u>2,611</u>	<u>3,171</u>
NET CURRENT ASSETS			
		<u>34,610</u>	<u>35,861</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	14	(1,500)	(1,500)
Defined benefit pension scheme liability	22	(627)	(354)
		<u>32,483</u>	<u>34,007</u>
NET ASSETS	17		
CAPITAL AND RESERVES			
Unrestricted funds			
- General fund		(203)	75
- Designated funds		30,355	32,171
		<u>30,152</u>	<u>32,246</u>
Total Unrestricted Funds	15		
Restricted funds			
- Partnership and Access		391	801
- White Lodge Maintenance		70	240
- White Lodge Appeal		1,542	331
- Bursaries and Prizes		328	389
		<u>2,331</u>	<u>1,761</u>
Total Restricted Funds	16		
Total Funds		<u>32,483</u>	<u>34,007</u>

The financial statements on pages 11 to 28 were approved by the Board of Governors and authorised for issue on 23rd February 2011 and are signed on its behalf by



Lady Antonia Douro OBE

Chairman



Jonathan Chenevix-Trench

Governor

Royal Ballet School
CASH FLOW STATEMENT
for the year ended 31 August 2010

	<i>Notes</i>	2010 £000	2009 £000
NET CASH FLOW FROM ACTIVITIES	24	(692)	3,588
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	25	(86)	35
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	25	(337)	(1,894)
FINANCING	25	-	418
(DECREASE)/INCREASE IN CASH	26	<u>(1,115)</u>	<u>2,147</u>

Royal Ballet School

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the Companies Act 2006 and follow recommendations in Accounting and Reporting by Charities Statement of Recommended Practice – Accounting and reporting by Charities issued in March 2005, and under the historical cost convention and under the going concern concept, on the understanding that the company will continue to receive sufficient financial support to enable it to meet its liabilities as and when they fall due for payment

After making enquires the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities on page 8

TANGIBLE FIXED ASSETS

Leasehold property

The original cost of the White Lodge leasehold property was fully amortised in the period 1955 to 1976, although the lease was not due to expire until 2013. Subsequent major works and additions to the leasehold property are capitalised and amortised over the unexpired period of the lease, or evenly over the expected useful lives of the major works and additions as appropriate, at rates varying between 14% and 25% per annum on cost.

In November 2005 the School surrendered its existing lease and entered into an agreement to lease the land and buildings for a further 100 years. A major redevelopment was undertaken in three phases from 2005 and completed in February 2009. Relevant costs are depreciated over the term of the lease. The buildings costs will be depreciated over 40 years.

The Floral Street property is depreciated over the term of the lease, except for buildings which are depreciated over 40 years.

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

Furniture, fixtures and equipment

Depreciation has been calculated by allocating cost, less any estimated residual value, evenly over the expected useful lives of the assets concerned. The expected useful lives are as follows:

Furniture, fixtures and equipment	5 -7 years
Computer equipment	3 years
Motor vehicles	4 years

The School's policy is to capitalise fixed assets with a cost of more than £1,000.

STOCKS

The School charges the cost of such clothing to the Statement of Financial Activities when incurred and no stocks are held in the balance sheet.

TURNOVER

Turnover consists of school fees and expenses due and receivable, grants receivable from the Department for Children, Schools and Families, income arising from the letting of the school premises and facilities, and sponsorship of the School's performances. This income is then taken to the Statement of Financial Activities when it becomes due to the school.

Royal Ballet School

ACCOUNTING POLICIES

ROYAL BALLET SCHOOL PENSION AND LIFE ASSURANCE PLAN

The School participates in defined benefit schemes and defined contribution schemes

Under the defined benefit schemes, the School makes contributions to the Teachers Pension Scheme and The Royal Ballet School Pension and Life Assurance Plan. Pension costs are assessed in accordance with actuarial advice and based on the most recent actuarial valuation of the schemes. The Royal Ballet School Pension and Life Assurance Plan was closed to new entrants during 2002. The Teachers Pension Scheme is a multi employer scheme for which the School is unable to determine its share of the assets and liabilities, contributions are charged to the Statement of Financial Activities as if the scheme were a defined contribution scheme.

Under the defined contribution schemes, the School contributes to group personal pension plans providing benefits for some employees. Pension costs are based on current salaries. Contributions are charged to the Statement of Financial Activities in the year in which they are due to the scheme.

The amount charged to the Statement of Financial Activities in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The expected return on scheme assets are included in investment income and the interest cost and interest on scheme liabilities are included within other finance costs in support costs.

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the Statement of Financial Activities.

The assets of the scheme are held separately from the School in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at the balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised in the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the Scheme Trustees have agreed a refund from the scheme at the balance sheet date. A pension liability is recognised to the extent that the School has a legal obligation to settle the liability.

OPERATING LEASES

Operating leases and the annual rentals are charged to the profit and loss on a straight line basis over the lease term.

EXPENDITURE

Resources expended are recognised in the period in which they are incurred and are allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration of the School's activities, comprising the salary and overhead costs of central functions are treated as Support Costs as shown in note 4. The allocation of Support Costs between activities has been reviewed during the year and these costs have been allocated in line with the estimated use of resources by each activity.

Governance costs comprise those costs incurred in compliance with regulation and good practice and include costs relating to the statutory audit and legal fees.

LIABILITIES

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

FOREIGN CURRENCIES

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

Royal Ballet School

ACCOUNTING POLICIES

FUNDS

Unrestricted Funds

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

Designated Property Fund

This Fund represents the total amount (at cost less depreciation) invested in property assets for use by the School as well as unrestricted cash balances available to fund the conversion of the two remaining flats at Jebson House. £1,000,000 was transferred to The Royal Ballet School Endowment Fund during the year to ensure continued future funding for the maintenance and repair of Jebson House.

Designated Asset Replacement Fund

This fund represents amounts designated and set aside by Governors to enable the School to replace assets such as plant and equipment, fixtures and fittings, and computer equipment when these require replacement.

General Pensions Reserve

This fund represents balances in relation to the School's obligations in respect of the Royal Ballet School Pension & Life Assurance Plan which is a final salary scheme that is now closed to new members.

Retained Income

This represents the balance of unrestricted funds which have not been designated.

Restricted Funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The various specific restricted funds are as follows:

Appeal Fund

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

Bursaries and Prize Fund

This fund represents donations received by the School, which are subject to the specific wishes of the donor. Movements in the fund during the year comprise gifts received and the funding of bursaries and prizes for pupils attending the school.

Partnership and Access Fund

This fund represents amounts provided to the School by the Department for Education to further the aims and objectives of the School's Partnership and Access programme.

White Lodge Maintenance Fund

This fund represents amounts provided to the School by the Department for Education to enable the repair and maintain the buildings of the Lower School.

Royal Ballet School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2010

1	FEES RECEIVABLE			2010 £000	2009 £000	
	Fees receivable in respect of full time students were funded as follows					
	Grants from DfE			4,406	4,018	
	Connected charity (Royal Ballet School Endowment Fund)			127	210	
	Donations			198	98	
	Parents			2,019	1,568	
				<u>6,750</u>	<u>5,894</u>	
2	INVESTMENT INCOME			Total 2010 £000	Total 2009 £000	
	Interest receivable			7	35	
3	COST OF GENERATING FUNDS			Total 2010 £000	Total 2009 £000	
	Development department			164	197	
4	ANALYSIS OF RESOURCES EXPENDED ON CHARITABLE ACTIVITIES	Direct charitable activities £000	Support costs £000	Total 2010 £000	Total 2009 £000	
	Full time students	4,683	3,477	8,160	6,470	
	Outreach activities	483	435	918	926	
	Partnership programme	620	217	837	722	
	Performances and tours	126	217	343	349	
		<u>5,912</u>	<u>4,346</u>	<u>10,258</u>	<u>8,467</u>	
5	ANALYSIS OF SUPPORT COSTS	Full time students £000	Outreach activities £000	Partnership Programme £000	Performance and tours £000	Total 2010 £000
	Premises	1,166	146	73	73	1,458
	Staff costs	899	112	56	56	1,123
	Depreciation	814*	102	51	51	1,018
	Other	598	75	37	37	747
		<u>3,477</u>	<u>435</u>	<u>217</u>	<u>217</u>	<u>4,346</u>
	Total 2009	3,145	393	197	197	3,932

Support Costs have been allocated in line with the estimated use of resources by each activity. Increases in support costs relate to the additional depreciation charges of White Lodge and Jebson House post development work. Also included are the costs of servicing the White Lodge Appeal loan.

Royal Ballet School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2010

6	ANALYSIS OF GOVERNANCE COSTS	2010 £000	2009 £000
	Legal and professional	26	113
7	EXPENDITURE	2010 £000	2009 £000
	The operating surplus is after charging		
	Audit fee	19	18
	Audit fee in respect to prior year audit	-	7
	Auditors' fees in respect of non audit services	3	-
	Interest payable	93	6
	Operating lease rentals - plant and machinery	26	33
	Depreciation on non finance assets	993	1,067
	Depreciation on assets under finance	35	35
8	EMPLOYEES	2010	2009
8a	The average weekly number of full-time equivalent persons (excluding directors) employed by the company during the year was	No	No
	Teaching & Teaching Support	47	45
	Pastoral	15	14
	Outreach Activities	11	12
	Partnership Programme	9	7
	Management & Administration	20	18
	Development	4	4
		106	100
8b	Staff costs	£000	£000
	Wages and salaries	3,687	3,440
	Social security costs	332	299
	Other pension costs	469	395
		4,488	4,134

Royal Ballet School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2010

		2010 No	2009 No
8c	The number of employees whose emoluments exceeded £60,000 were		
	£60,001 - £70,000	2	1
	£70,001 - £80,000	2	-
	£90,001 - £100,000	1	1
		<u> </u>	<u> </u>
8d	Employee cost by activity	£000	£000
	Full time students	3,284	3,091
	Outreach activities	488	488
	Partnership programme	495	371
	Performances and tours	84	77
	Other costs	137	107
		<u> </u>	<u> </u>
		4,488	4,134

Subject to the disclosure in Note 21 (Related Party Transactions), no remuneration was paid to the Governors in the current or prior year and no expenses were reimbursed to them

9 TRANSFERS

	Unrestricted General Fund £000	Unrestricted Designated Funds £000	Restricted Funds £000
Transfers of fixed assets between funds	7	23	(30)
Transfer to restricted Partnership & Access in respect of overheads and depreciation	(159)	(42)	201
	<u> </u>	<u> </u>	<u> </u>
	(152)	(19)	171

The retention payment of Phase 3 of the White Lodge redevelopment funded by restricted donations has been transferred to the Unrestricted Designated Property Fund upon completion since the restriction on the donation is considered to be discharged at this point. Fixtures and fittings have been transferred to the Unrestricted General Fund.

Residual funds from the Floral Street Appeal held in the Unrestricted Designated Property Fund have been transferred to the Unrestricted General Fund to meet the costs of the fixtures and fittings for Jebson House.

The overhead transfer for the Partnership and Access fund relates to overheads allocated to this fund in the Statement of Financial Activities, but payable by the Unrestricted General Fund, and depreciation of property, payable by the Unrestricted General Fund.

Royal Ballet School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2010

10 TANGIBLE FIXED ASSETS

	Property – Long Leasehold				Furniture, fixtures and equipment			
	Floral Street £000	White Lodge £000	Jebsen House £000	Floral Street £000	White Lodge £000	Jebsen House £000	Motor vehicles £000	Total £000
Cost or valuation								
1 September 2009	14,718	22,624	467	838	1,381	45	40	40,113
Additions	-	27	257	-	3	4	46	337
Disposals	-	-	-	-	-	-	(40)	(40)
31 August 2010	14,718	22,651	724	838	1,384	49	46	40,410
Depreciation								
1 September 2009	2,699	2,708	23	806	1,138	9	40	7,423
Charged in the year	247	557	36	25	141	10	12	1,028
Disposals	-	-	-	-	-	-	(40)	(40)
31 August 2010	2,946	3,265	59	831	1,279	19	12	8,411
Net book value								
31 August 2010	11,772	19,386	665	7	105	30	34	31,999
31 August 2009	12,019	19,916	444	32	243	36	-	32,690

The White Lodge development has assets with a net book value of £3,443,000 which were purchased under finance in respect of the lease acquisition with a cash price of £3,300,000 at November 2005. Finance charges of £93,000 (2009 £53,000) have been capitalised.

Royal Ballet School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2010

11	DEBTORS	2010 £000	2009 £000
	School fees		
	- parents	815	1,033
	- DfE	207	-
	Connected charity (see note 21)	506	33
	Other debtors	23	77
	Prepayments and accrued income	138	103
		<u>1,689</u>	<u>1,246</u>
12	DEFERRED INCOME	2010 £000	2009 £000
	Parents	863	977
	DfE	1,400	1,500
		<u>2,263</u>	<u>2,477</u>
13	CREDITORS	2010 £000	2009 £000
	Amounts falling due within one year		
	Trade creditors	80	113
	DfE Creditor	-	6
	Taxation and social security	100	93
	Other creditors	28	28
	Accruals	526	392
		<u>734</u>	<u>632</u>
14	CREDITORS	2010 £000	2009 £000
	Amounts falling due in more than one year		
	Bank loans	1,500	1,500
		<u>1,500</u>	<u>1,500</u>

Bank loans comprise a secured fixed rate loan from Barclays Bank for £1,500,000. The loan is repayable in quarterly instalments and split into two parts with £1,000,000 to be repaid by November 2014 and the remaining £500,000 repayable by November 2030. A charge is held by Barclays bank over the White Lodge lease. The interest rate applying to the loan of £500,000 is 6.01% per annum and the interest rate applying to the loan of £1,000,000 is 5.52% per annum. Both rates exclude mandatory costs.

Royal Ballet School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2010

15 UNRESTRICTED FUNDS

	Balance at 1 September 2009 £000	Incoming resources £000	Resources expended £000	Losses £000	Transfers £000	Balance at 31 August 2010 £000
<u>Designated</u>						
Property fund	31,965	-	(1,798)	-	(19)	30,148
Asset replacement fund	206	1	-	-	-	207
	<u>32,171</u>	<u>1</u>	<u>(1,798)</u>	<u>-</u>	<u>(19)</u>	<u>30,355</u>
<u>General</u>						
Pensions reserve fund	(354)	40	-	(313)	-	(627)
Retained Income	429	7,487	(7,340)	-	(152)	424
	<u>75</u>	<u>7,527</u>	<u>(7,340)</u>	<u>(313)</u>	<u>(152)</u>	<u>(203)</u>
Total	<u>32,246</u>	<u>7,528</u>	<u>(9,138)</u>	<u>(313)</u>	<u>(171)</u>	<u>30,152</u>

16 RESTRICTED FUNDS

	Balance at 1 September 2009 £000	Incoming resources £000	Resources expended £000	Transfers £000	Balance at 31 August 2010 £000
Partnership and Access fund	331	596	(825)	289	391
White Lodge Maintenance Fund	389	-	(304)	(15)	70
Appeal – White Lodge	801	859	(11)	(107)	1,542
Bursaries and prize fund	240	254	(170)	4	328
	<u>1,761</u>	<u>1,709</u>	<u>(1,310)</u>	<u>171</u>	<u>2,331</u>

Royal Ballet School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2010

17	ALLOCATION OF ASSETS	Unrestricted General Fund £000	Unrestricted Designated Funds £000	Restricted Appeal Funds £000	Total £000
	Fixed assets	165	31,831	3	31,999
	Debtors	1,689	-	-	1,689
	Cash at Bank	1,567	(1,476)	3,828	3,919
	Creditors due within one year	(2,997)	-	-	(2,997)
	Creditors due after one year	-	-	(1,500)	(1,500)
	Defined benefit pension scheme deficit	(627)	-	-	(627)
		<u>(203)</u>	<u>30,355</u>	<u>2,331</u>	<u>32,483</u>

18 LIABILITY OF MEMBERS

The Company does not have a share capital and is limited by guarantee. In the event of the Company being wound up, the maximum amount which each member is liable to contribute is £1. There were 16 Members at the Balance Sheet date.

19	CAPITAL COMMITMENTS	2010 £000	2009 £000
	Capital expenditure contracted for but not provided in the financial statements	163	-

20	COMMITMENTS UNDER OPERATING LEASES	2010 £000	2009 £000
	At 31 August the Company had commitments under non-cancellable operating leases as follows:		
	Plant and machinery		
	Expiring between 1 and 2 years	-	5
	Expiring between 3 and 10 years	120	-

21 RELATED PARTY TRANSACTIONS

Royal Ballet School Endowment Fund (registered charity number 285766) has as its purpose the provision of scholarships and facilities for the students at the Royal Ballet School.

During the year the School received grants of £174,692 (2009: £235,476) from the Endowment Fund to cover school fees and other costs. The School recharged £73,008 (2009: £55,837) in relation to staff costs. The School transferred £1,000,000 into the Endowment Fund to provide ongoing funding to maintain Jebson House. These funds were the residual balance of the Floral Street Appeal held in the Unrestricted Designated Property Fund. At the end of the year the Royal Ballet School Endowment Fund owed the Royal Ballet School £505,630 (2009: £32,013) (see note 11).

22 PENSION COMMITMENTS

The company operates two defined benefit pension schemes, The Royal Ballet School Pension & Life Assurance Plan and the Teachers' Pension Scheme.

The Royal Ballet School Pension & Life Assurance Plan

This pension scheme provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company, being invested with Clerical Medical and General Life Assurance Society in their Pension Contract.

Royal Ballet School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2010

Contributions to the scheme are charged to the Statement of Financial Activities in accordance with the current service cost of those employees who are members of the scheme. The contributions are determined by an independent qualified actuary, employed by Clerical Medical, on the basis of annual updates to the triennial valuations using the attained age funding method.

22a		2010 £000	2009 £000
	The amounts recognised in the balance sheet are as follows		
	Present value of funded obligations	(3,538)	(2,828)
	Fair value of plan assets	2,911	2,474
	Deficit	<u>(627)</u>	<u>(354)</u>
	Amounts in the balance sheet		
	Liabilities	(627)	(354)
	Assets	<u>(627)</u>	<u>(354)</u>
22b		2010 £000	2009 £000
	Changes in the present value of the defined benefit obligation are as follows		
	Opening defined benefit obligation	(2,828)	(2,754)
	Service cost	(96)	(80)
	Interest cost	(155)	(165)
	Employee contributions	(22)	(22)
	Actuarial loss	(457)	(270)
	Benefits paid	20	463
	Defined benefit obligation at end of year	<u>(3,538)</u>	<u>(2,828)</u>

Royal Ballet School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2010

22c		2010 £000	2009 £000
	Changes in the fair value of the scheme assets are as follows		
	Opening fair value of scheme assets	2,474	2,883
	Expected return	123	177
	Actuarial gain	144	(314)
	Employer contributions	168	169
	Employee contributions	22	22
	Benefits paid	(20)	(463)
	Fair value of scheme assets at the year end	<u>2,911</u>	<u>2,474</u>
22d		2010 £000	2009 £000
	Amounts included within the Statement of Financial Activities are as follows		
	Current service cost	(96)	(80)
	Expected return on scheme assets	123	177
	Interest on pension liabilities	(155)	(165)
	Total amount charged within net incoming/(outgoing) resources	<u>(128)</u>	<u>(68)</u>
	Actuarial gains and losses	(313)	(584)
	Total amount charged to the Statement of Financial Activities	<u>(441)</u>	<u>(652)</u>
	The Royal Ballet School expects to contribute £190,000 to its defined benefit scheme in 2011. The cumulative total of recognised actuarial gains and losses is £(366,000).		
22e		2010 £000	2009 £000
	The major categories of scheme assets as a percentage of the total Scheme assets are as follows		
	Cash and other net assets	0%	(13.0%)
	Group pension contract	<u>100%</u>	<u>113.0%</u>

Royal Ballet School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2010

22f		2010 £000	2009 £000
	Principal assumptions at the balance sheet date (expressed as weighted averages)		
	Discount rate at 31 August	4.8%	5.4%
	Expected rate of return on scheme assets at 31 August		
	Group pension contract	4.7%	4.7%
	Cash and other net assets	3.7%	4.0%
	Rate of increase in salaries	3.2%	3.3%
	Rate of increase of pensions in payment	3.2%	3.3%
	Rate of increase of pensions in deferment	3.2%	3.3%
	Life expectancy for 60 year old male	87	87

22g		At 31 August 2010 £000	At 31 August 2009 £000	At 31 August 2008 £000	At 31 August 2007 £000	At 31 August 2006 £000
	The amounts for the current and previous periods are as follows					
	Defined benefit obligation	(3,538)	(2,828)	(2,754)	(3,009)	(2,995)
	Scheme assets	2,911	2,474	2,883	2,959	2,752
	Net pension surplus/(liability)	(627)	(354)	129	(50)	(243)
	Experience adjustments on scheme liabilities	(457)	(270)	496	(87)	257
	Experience adjustments on scheme assets	144	(314)	(388)	210	80

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the School.

The latest actuarial valuation of the Scheme by the Government Actuary published in November 2006 relating to the period 1 April 2001 to 31 March 2004 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) exceeded the value of the Scheme's assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) by 2.0%.

Royal Ballet School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2010

From 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance the Scheme's assets and liabilities within 15 years as required by the regulations), a total contribution rate of 20.5%. This translates into an employer contribution rate of 14.1% and an employee contribution rate of 6.4%. The cost-sharing agreement has also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable. The next valuation of the Scheme by the Government Actuary due to be prepared as at 31 March 2008 has not yet been published.

The pension charge for the year includes contributions payable to the scheme of £151,467 (2009 £143,356).

23 TAXATION

The Company is a registered charity. To the extent that the company's income is applied to charitable purposes it is entitled to exemption from United Kingdom taxation under the Income and Corporation Taxes Act 1988.

24	RECONCILIATION OF OPERATING (DEFICIT)/SURPLUS TO NET CASH (OUTFLOW)/INFLOW FROM ACTIVITIES	2010	2009
		£000	£000
	Net (outgoing)/incoming resources	(1,211)	2,619
	Depreciation	1,028	1,102
	Defined benefit scheme net income	(40)	(101)
	Interest received	(7)	(35)
	Interest paid	93	-
	Increase in debtors	(443)	(46)
	(Decrease)/increase in creditors	(112)	49
		<u>(692)</u>	<u>3,588</u>
25	GROSS CASH FLOWS	2010	2009
		£000	£000
	Returns on investments and servicing of finance		
	Interest received on bank deposits	7	35
	Interest paid on loan	(93)	-
		<u>(86)</u>	<u>35</u>
	Capital expenditure		
	Payment to acquire tangible fixed assets	(337)	(1,894)
		<u></u>	<u></u>
	Financing		
	Capital element of finance lease rental payments	-	(834)
	Repayment of interest free loan from Royal Ballet School	-	(248)
	Endowment Fund	-	1,500
	Bank loans	-	
		<u>-</u>	<u>418</u>
		<u></u>	<u></u>
	Total Net Cash Flow (from Note 24 and Note 25)	<u>(1,115)</u>	<u>2,147</u>

Royal Ballet School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2010

26	ANALYSIS OF CHANGES IN CASH AND DEBT	<i>1 September</i> 2009 £000	<i>Cash Flow</i> £000	<i>31 August</i> 2010 £000
	Cash in hand and at bank	5,034	(1,115)	3,919
	Bank loan	(1,500)	-	(1,500)
		<u>3,534</u>	<u>(1,115)</u>	<u>2,419</u>