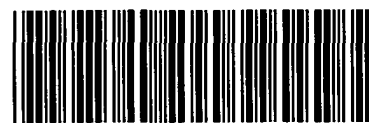


Royal Ballet School
Annual report and financial statements
for the year ended
31 August 2022

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COMPANIES HOUSE

Charity registration number: 214364
Company registration number: 547018
Principal and registered office: 46 Floral Street, London WC2E 9DA

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PRINCIPAL ADDRESSES

UPPER SCHOOL (students aged 16+)

The Royal Ballet School
46 Floral Street
Covent Garden
London
WC2E 9DA

WHITE LODGE (students aged 11-16)

The Royal Ballet School
White Lodge
Richmond Park
Richmond
TW10 5HR

ADVISORS

AUDITORS:

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

BANKERS:

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

SOLICITORS:

Veale Wasbrough Vizards
Narrow Quay House
Narrow Quay
Bristol BS1 4QA

Sheridans
76 Wardour Street
London
W1F 0UR

INSURANCE BROKER

Circle Insurance
118 Holyhead Road
Coventry
CV1 3LY

FINANCIAL ADVISORS

Origin Financial Services

ROYAL BALLET SCHOOL

ANNUAL REPORT OF THE GOVERNORS

GOVERNORS, DIRECTORS AND CHARITY TRUSTEES

The Governors of Royal Ballet School (the School) are the School's Charity Trustees under charity law and the Directors of the Charitable Company.

Detailed below are the Governors who served in office during the year and subsequently:

Christopher Rodrigues CBE (Chairman)
Carlos Acosta CBE
Justin Albert
Delia Barker (appointed 30 March 2022)
Anna Birkett
Suzi Brennan
Tom Clementi
Richard Dennen (appointed 16 November 2022)
David Ebstein
Janet Lambert (resigned 11 October 2022)
Menna McGregor
Kevin O'Hare CBE
Craig Ranson
Zita Saurel
Nishi Somaiya
Stephen Spurr
Kenneth Steele (resigned 11 October 2022)
Susan Wijeratna

Lady Sainsbury CBE is Governor Emerita of the School.

COMPANY SECRETARY

Pippa Adamson

EXECUTIVE LEADERSHIP TEAM

The Executive Leadership Team are responsible for the day-to-day running of the School. They are:

ARTISTIC DIRECTOR & CHIEF EXECUTIVE OFFICER

Christopher Powney

ACADEMIC & PASTORAL PRINCIPAL

David Gajadharsingh

CHIEF OPERATING OFFICER

Pippa Adamson

COMMERCIAL DIRECTOR

Carol Dray

ROYAL BALLET SCHOOL

ANNUAL REPORT OF THE GOVERNORS

INTRODUCTION FROM THE CHAIRMAN

'The classical school has proved itself to be a great time-traveller as well as an interpreter of its own age.'

These words, spoken by The Royal Ballet School's founder, Dame Ninette de Valois, are foremost in my mind as we head towards our centenary in 2026. While this is an opportunity to celebrate our wonderfully rich heritage and all that we have achieved, I reflect that The Royal Ballet School was built on the values of innovation and evolution. As Madam herself said, 'Someone must always be doing something new or life would get very dull.'

There is much to be proud of this year. We have maintained academic and artistic excellence across our training programmes, nurturing each of our young students holistically to ensure they are fit for the stage and for life. Following in the footsteps of nearly 100 years of world-class dancers, choreographers and teachers, students from The Royal Ballet School continue to lead the way, displaying truly remarkable artistry and technical brilliance, a comprehensive knowledge of their craft and the promise to have a tremendous impact in the dance world and beyond.

We have championed excellence through our professional development programmes, equipping dance teachers around the world with the tools to create positive studio environments and unleash each student's potential. We have developed our digital capability, using an audience-focused mindset and carefully curated content to share what we do on a global scale and extend access to high-quality ballet education to many more people. By recognising the possibilities that a digital world affords, we have been able to inspire and influence, increasing our reach and value to society, opening up opportunities for new partnerships and firmly cementing our unique platform and voice.

There have been challenges, and there are more ahead of us. My goal is simple, to ensure the School is put on a stable footing financially for its second century, so that it sustains its position as a world leader, setting the global standard artistically, academically, in recreational dance, in dance teaching, in health and pastoral care and beyond. To do this, our centenary appeal will have two key themes.

Firstly, we are embarking on an essential project to expand accommodation at White Lodge. By adding 32 extra beds to our White Lodge accommodation, we can train more exceptionally talented young students, populating generations of artists and securing the future of the art form. In addition, the economics of the School will be fundamentally improved, with the School benefitting from a net increase in income of around £700,000 per year, every year. We are currently fundraising for this £7 million project.

Secondly, we want to take advantage of our centenary to grow our bursary scheme. This programme allows any student of uncommon talent, whatever their financial resources, to receive world-class Royal Ballet School training. The bursaries have become ever more crucial in these testing and uncertain times.

Finally, there is a near and present challenge for many of our students. To be able to fully benefit from the Royal Ballet School experience, they need support beyond the cost of their education, for uniforms, shoes, kit, and travel expenses. We have started an equal opportunities fund to help students with these additional expenses.

I am deeply grateful to all our staff who continue to show resilience, adaptability and great enthusiasm for our work as we navigate our way through a post-COVID world. This year, we were particularly delighted that Hope Keelan was awarded the Royal Ballet Governors Gold Medal in recognition of her 50 years of outstanding teaching.

ROYAL BALLET SCHOOL ANNUAL REPORT OF THE GOVERNORS

I would also like to take this opportunity to welcome our newest governors, Delia Barker and Richard Dennen, and to express our gratitude to Janet Lambert and Kenneth Steele as they reach the end of their tenure. As always, my thanks to all our Governors for their tireless hard work and constant support.

I extend my heartfelt gratitude to our supporters, without whom we could not maintain our unmatched reputation and the incomparable training and care we offer these extraordinary young people, nor could we extend our reach to give access to so many who wouldn't otherwise have the opportunity to experience the life-enriching properties of dance.

Finally, we were honoured to be part of the celebrations for our late Queen's Jubilee in August, marking her 70 years as monarch and 66 years of our Royal Charter. The Royal Ballet School motto, 'Strength and Grace', reflects the style in which Her Majesty served her country. Her remarkable dedication will never be forgotten and she is an inspiring example to us all as we enter the next era of our country's shared future. We will forever be grateful for her patronage and support.

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REPORT FROM THE ARTISTIC DIRECTOR & CEO

In 2021/22 we were delighted to welcome all students back to the School for a full year of uninterrupted training. While it has been inspiring and heartening to see the endurance, adaptability and positivity of our students and staff throughout the COVID pandemic, it is a joy to now embrace what we hope is a new COVID-free normality.

I'm immensely proud to say that 25 Pre-professional students graduated from the School in 2022, with 22 going on to full-time employment with ballet companies, five of these with The Royal Ballet and five with Birmingham Royal Ballet. In addition, two short-term contracts were offered and two students are repeating the Pre-professional year due to injury leading to them missing the audition season. The achievements of this group of dancers are exceptional, considering that their full three years at Upper School and the current work field were affected by the pandemic: they have shown resilience, fortitude and dedication in such challenging circumstances.

We were overjoyed to present a full Summer Performance season, with a total of 22 performances across four weeks: ten at the Margot Fonteyn Theatre at White Lodge, six in the Linden Theatre at Upper School, five at Opera Holland Park, culminating in our final performance on the Royal Opera House main stage. We presented works from a diverse range of choreographers, showcasing the artistry and versatility of our brilliant students, including Sir Frederick Ashton's pas de douze from *Swan Lake*, Wayne McGregor's *PreSentient*, John Neumeier's *Yondering* and Marius Petipa's *Raymonda Act III*, as well as new works by Jason Mabana, Mikaela Polley and Joseph Toonga. The students and staff produced some exceptional performances to great acclaim, and bringing the entire student body together on stage for the iconic *Grand Défilé* for the first time in three years was a glorious moment to witness.

The matinée performance at the Royal Opera House was dedicated to Lord John Sainsbury, who sadly died in January. The impact of Lord and Lady Sainsbury's philanthropy on The Royal Ballet School cannot be overstated, and the difference they have made to the lives and careers of generations of young ballet students is truly immeasurable. We will forever remember Lord Sainsbury with the most heartfelt gratitude.

In September 2021, we introduced a new structure to our eight-year training programme, introducing four stand-alone cohorts, each with an Artistic Manager. I congratulate the staff for a successful transition to the new structure and all the students who completed one of the training programmes in 2022. I'd also like to congratulate all students on another year of excellent academic results, demonstrating their focus and commitment to their academic studies alongside their passion for ballet.

I'm thrilled that we have continued our ground-breaking work in dance teacher training with our new Affiliate Training and Assessment Programme, a unique and innovative approach to teaching dance in the recreational sector which was met with great enthusiasm. In addition, we celebrated another cohort of graduates from our prestigious Diploma of Dance Teaching, and we've continued to embed our teacher training ethos both with the exceptional teachers we have in the School and to dance teachers globally through our highly-regarded seminar and webinar series, having a clear impact in raising standards and changing the way ballet is taught.

Our full Intensive Courses programme returned this year, with cohorts of students from all over the world joining us in London for both our Spring and Summer Intensives. We also launched Primary

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Steps on Demand, a digital programme for primary schools, expanding the work of our in-person Primary Steps programme to all primary school-aged children around the world. Our commitment to widening access to our unique expertise and experience and to high-quality ballet education continues with the expansion of our international and UK auditions, masterclasses and recreational programmes.

As ever, I'd like to thank the dedicated staff of The Royal Ballet School, our devoted Governors, collaborators and partners, and our steadfast supporters, who help to make our students' extraordinary achievements and the School's important work possible.

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AIMS AND OBJECTIVES OF CHARITY

OUR VISION

Our vision is to be the best classical ballet school in the world.

OUR MISSION

Our mission is to nurture, train and educate exceptional young dancers for the Royal Ballet companies and other leading UK and international companies, and to inspire the future of classical ballet training.

OUR VALUES

1. STRIVING FOR EXCELLENCE

The Royal Ballet School is always working towards excellence in everything we do. We bring the utmost integrity, passion and dedication to our work, always. Through our constant drive to achieve the highest standards, we set the standard for others, enriching and inspiring our sector and defining its future.

2. NURTURING INDIVIDUALS

We believe in the unique potential of each individual. We nurture each human holistically, equipping them with the tools they need to shape their futures as healthy, resilient human beings. We are committed to equity and ensuring all individuals have what they need to reach their potential. We cultivate supportive, nourishing environments built on trust, respect, open communication and kindness.

3. ACTIVELY WIDENING ACCESS

Ballet and creative dance education should be accessible to all. We work proactively to create opportunities for people to engage with ballet wherever we can and to expand our reach across the UK and globally, including through digital access. It is particularly important to us to work to improve access routes to ballet in areas with little access to arts education.

4. OUR HERITAGE NOURISHES OUR FUTURE

We have a rich and unique heritage and we champion ballet excellence throughout the ages, respecting, preserving and honouring what has gone before, while also valuing our history as instructive, enabling us to acknowledge, learn and develop. Our heritage is the foundation from which we sustain and evolve the School and reach outwards, impacting our sector and society as a whole.

5. ALWAYS INNOVATING

We are a bold, forward-thinking organisation, dedicated to continuous evolution. We take an innovative, pioneering outlook, committed to creative thinking to ensure we remain at the forefront of all we do. We act as thought leaders and contribute to setting the agenda for classical ballet globally. We actively seek to work with other individuals and organisations, sharing knowledge and building on our research collaboratively.

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CHARITABLE ACTIVITIES

As well as full-time training, The Royal Ballet School offers a variety of programmes aimed at engaging with and training in classical ballet.

The Artistic Director of The Royal Ballet School, The Royal Ballet and Birmingham Royal Ballet work closely together and the School benefits from the Artistic Directors of both companies being Governors of the School. Their commitment and input into the School as Governors and as industry advisors are invaluable.

FULL TIME STUDENT TRAINING

The School is located across two sites; White Lodge in Richmond Park is a boarding school for 11 to 16-year-olds and Upper School in Covent Garden trains students aged 16 to 19. Upper School students board at Aud Jebson Hall in Pimlico and Jebson House in Covent Garden.

Training is split across four programmes with each programme tailored to support the training needs of a specific cohort of students.

- Foundation Programme for Years 7-9
- Development Programme for Years 10-11
- Vocational Programme for Years 12-13; and
- Pre-professional Programme or Year 14.

ASSOCIATE TRAINING

The School provides dance training to young Associate students, introducing them to the School's System of Training. Many Associates with significant potential go on to gain a full-time place at the School.

Weekend classes are run for Junior Associates for ages 8 to 11 at nine centres across the United Kingdom; Mid Associate classes for ages 11-14 are held in six centres across the United Kingdom; Senior Associates classes for ages 14 to 16 are held in London and Birmingham and Advanced Associate classes for 16 to 18-year-olds are held in London. As well as regular classes, workshops are run throughout the year.

INSIGHT AND ACCESS OPPORTUNITIES

The School invites young dancers aged between 8 and 15 years to attend special events around the country and online. Insight opportunities include experiencing a typical Associate lesson, learning what it is like to audition for the School and giving primary and secondary schools a behind-the-scenes look at classical ballet training.

INTENSIVE COURSES AND MASTERCLASSES

The Intensive Course and Masterclass Programme offers young people aged 10 to 20 the opportunity to experience Royal Ballet School training.

Typically, intensive courses run from one to five weeks in the UK and overseas. UK intensive courses are held at White Lodge and Upper School. While some courses are non-residential and students can attend daily, some are residential, giving students the chance to experience life at the School alongside training.

Masterclasses are held on a single day and are open to any young person who would like to

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experience Royal Ballet School training.

PRIMARY STEPS

The Royal Ballet School is committed to broadening access to the study of classical ballet and creative dance as part of a child's wider academic education. The Primary Steps programme introduces primary school children to classical ballet through regular dance classes.

Primary Steps is a national junior school programme which provides class groups in Years 3-6 (7-11 years old) with a positive introduction to ballet, followed by initial creative ballet training for selected children who would not otherwise have the opportunity. The programme gives access to ballet education for thousands of children, targeting areas of social, economic and cultural diversity.

In June 2022, the School launched Primary Steps on Demand, making high-quality creative dance education from The Royal Ballet School available to all primary schools via its online platform. The programme provides educators with everything they need to integrate ballet education into their curriculum without the need for any dance teaching experience. The programme is developed to be accessible to all, including those with special educational needs or physical disabilities. It uses inclusive language and content.

DIPLOMA OF DANCE TEACHING

The Royal Ballet School's Diploma of Dance Teaching is a two-year part-time course that trains professional dancers and teachers to teach classical ballet at a vocational and pre-professional level to a world-class standard. The course provides a sound foundation in technical and creative approaches to teaching ballet to a broad range of students using the School's vocational vocabulary and methodology and drawing on the most recent relevant pedagogy.

PROFESSIONAL DEVELOPMENT

Inspire seminars are held in the UK and internationally. The seminars support the professional development of teachers from all backgrounds and levels of experience. Alongside giving teachers a comprehensive understanding of the teaching of classical ballet technique, the seminars offer fresh, innovative ideas to guide teachers in their approach. They are non-syllabus-based and grounded in good teaching practice.

Enlighten webinars provide invaluable insight and information surrounding all aspects of dance teaching and learning and are taught online by expert staff. The webinars draw on the School's heritage and knowledge as a world leader in dance training and education.

AFFILIATE TRAINING AND ASSESSMENT PROGRAMME

The Affiliate Training and Assessment Programme (ATAP) extends the School's System of Training to recreational dance teachers, driving forward the standard of recreational dance training and keeping pace with the changing needs of the art form.

The innovative programme offers an alternative to the current model of examination study offered by recreational dance organisations. The programme is based on providing high-quality training rather than student examination. Affiliate Teachers are empowered with the responsibility for guiding and assessing their own students' learning, and have autonomy in their approach, providing teachers with ongoing professional development and greater creative and professional fulfilment.

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EQUITY DIVERSITY AND INCLUSION

The Royal Ballet School is committed to creating and nurturing a community where each student and member of staff is valued equally. We are proud that admission to the School has for many years been based solely on talent and potential. The Royal Ballet School is committed to being accessible regardless of cultural, social and economic backgrounds.

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ACADEMIC EDUCATION

The Royal Ballet School is a non-selective school for academic education, and students arrive with differing educational needs. The School believes that students become better creative artists by using their brains and bodies. Academic work is of equal importance to artistic training.

We are delighted that once again, this year our students have performed well in their academic examinations.

BA (HONS): CLASSICAL BALLET AND DANCE PERFORMANCE

(Validated by The University of Roehampton)

Year 14 (Pre-professional) was the third cohort to complete the BA (Hons) degree. There were 22 entries, of which 16 were awarded 1st Class Honours and the remaining were classed as Upper Second, 2:1.

FOUNDATION DEGREE: CLASSICAL BALLET AND DANCE PERFORMANCE

(Validated by The University of Roehampton)

The foundation degree is completed by our Year 13 students, (2nd Year). We were delighted that 13 of our 14 candidates achieved a Distinction. The remaining candidate was awarded a Merit.

A LEVEL RESULTS

Students may choose to take one A-Level alongside the degree programme. The numbers of entries are small. In 2021/22 three students took an A-Level with two students achieving an A* and the third student achieving an A.

EXTENDED PROJECT QUALIFICATION (EPQ) RESULTS

As part of the academic enrichment programme at the Upper School, students may choose to study a range of academic and vocational courses in addition to the degree. One of the options is the Extended Project Qualification. This is organised and supervised by the academic team. The 2022 cohort was the first to enter this qualification. There were seven entries of which two gained an A*, two earned Bs and 2 received Cs.

GCSE

This year saw GCSE examinations return to pre-COVID norms with students sitting exams. There were 201 exam entries of which 95% received a Grade 4-9 (equivalent to A*-C under the previous grading system) with a 100% pass rate.

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STUDENT WELLBEING

Excellent physical and mental healthcare is vital for a student to achieve their potential as a dancer. The School is committed to caring for its students holistically so that they become healthy, resilient humans, able to succeed in whichever path they choose to pursue.

- The School is committed to the highest standards of training. This includes how teachers and students behave in and out of the studio. Each year, teachers and students commit to a set of behaviour expectations, which are displayed around the School and in every studio.
- Visiting teachers, répétiteurs and choreographers receive a personalised induction into safeguarding and studio behaviours before they start work with our students.
- Our safeguarding team work closely with The Royal Ballet and Birmingham Royal Ballet to ensure the highest standards of safeguarding while our students work with the companies.
- Students have access to an online, anonymous reporting system to raise concerns over any pastoral or safeguarding issues.
- Staff have access to a reporting system to raise concerns about the welfare of any of the students in the School's care.
- All students are supplied with private medical cover. This ensures that students, regardless of financial means, have access to immediate specialist healthcare.
- The School is proud of its commitment to mental well-being as well as physical. Students have access to in-house counsellors on both sites and can be referred or self-refer.
- The School supports students to take age-appropriate responsibility for monitoring their own well-being, with strength and conditioning embedded as part of their normal training. Daily monitoring is done via a Wellness App which allows students to quickly and simply log data such as sleep quality and hydration.
- The School is committed to creating a nurturing environment where all students feel welcome regardless of background. The School has a uniform and hair policy that embraces different student ethnicities. Hardship bursaries are available to students to ensure they can participate in any extra-curricular activities. All students entering Year 7 are issued with a School iPad, providing equal access to technology.

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TRAINING AND ACCESS

The Training and Access Team deliver a wide range of programmes that sit outside of the full-time student training.

In 2021/22:

- we trained 541 Associate students; 27 were offered a place to join the School for full time training from September 2022.
- 555 young people participated in an Insight Day
- we hosted eleven primary schools and seven secondary schools for online Insight Days
- 990 participants joined an Intensive Course
- 94 in person and 224 online students took part in the Audition Insight Day in 2021.
- 15 graduated from the two-year Diploma of Dance Teaching
- 444 teachers joined an Inspire seminar or Enlighten webinar
- We enrolled and trained 49 teachers in the new Affiliate Teacher Training Programme.
- 2,018 primary school students were offered a creative dance workshop as part of the Primary Steps Programme.
- In the first few weeks of its launch, we signed up 27 schools for the on-demand Primary Steps programme.
- Of the Year 6 students who completed three years training through Primary Steps, 19 have kept dancing on a regular basis. Two students joined The Royal Ballet School at White Lodge; four have been awarded places at their regional Centre for Advanced Training; five have joined local youth dance companies; seven are taking lessons at a local dance school; four have continued at their next school.

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FUNDRAISING

Fundraising is an essential part of the School finances without which we could not offer support, training and performance opportunities to so many students and young people. Total donations were £3,245,000 (2021: £3,358,000) which included £1,131,000 of government grants (2021: £1,131,000).

COVID reduced the activities the School has been able to offer over the last two years. 2021/22 saw activities return to previous levels and increased demand for student bursary support.

This year, our generous donors funded:

• Full-time student bursaries:	£1,147,000
• Bursaries for Associate student fees	£108,000
• Bursaries for intensive course participants	£63,000
• Performance and artistic programme	£200,000
• Primary Steps Programme	£415,000
• The Healthy Dancer Programme	£336,000
• The development of the School's digital programme	£63,000
• One-off projects	£230,000
• General support for the School	£719,000

Direct expenditure on fundraising is kept to a minimum. Non-staff costs were £15,000 (2021: £11,000) increasing to £178,000 (2021: £156,000) with staff costs included. This amounts to 5% of donated income.

All fundraising is carried out by the School's Development Team with support from members of the Development Committee and Governors. The school does not engage with any external third-party fundraisers. Governors receive regular updates on fundraising regulations and guidance from the Head of Development and the Development Committee.

The School abides by the appropriate code of conduct for all its fundraising, including consideration of the issues raised in the Etherington Review into Charity Fundraising Practice issued in September 2015, which emphasised donor experience. The School takes its responsibility to anyone who might be vulnerable very seriously and will continue to consider this in the Charity's approach to fundraising activity. The School does not engage in any cold-calling or put pressure on an individual to donate funds, property or other assets.

There have been no complaints in the period regarding inappropriate or intrusive contact.

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FINANCIAL REVIEW

Each year, the School's financial objective is to break even across the total of its activities.

The full-time school runs at an annual loss with the deficit filled by philanthropic support and revenue-generating programmes. In 2021/22 the Charity delivered a loss of £198,000 on its day-to-day operations before transfers, some depreciation and pension revaluation.

INCOME

The School only makes offers of full-time training to those who have the potential to become excellent dancers, so our ability to fill places depends on the calibre of applicants. In the year the School exceeded its target to have 214 students in the School, starting the year with 227 students.

The School returned to a near-normal year of activities post-COVID. Students remained in school for the full year and we offered almost a full programme of Training and Access activities. However, the intensive course and masterclass programmes in Hong Kong, Japan and South Korea could not go ahead due to continued COVID restrictions. Income from charitable activities rose by £940,000 to £9,229,000 (2021: £8,289,000).

Unrestricted income of £10,738,000 (£2021: £9,720,000) was supplemented by restricted income of £1,796,000 (2021: £2,047,000) totalling £12,534,000 (2021: £11,767,000).

EXPENDITURE

During the year, expenditure was closely monitored and well controlled. The School's main costs relate to staffing, premises and food and these are generally fixed in nature. Specific programme costs or donor-funded activities vary annually and typically, have matching income streams. Total expenditure for the year was £14,279,000 (2021: £12,888,000); the increase due to the reintroduction of the School's wider programmes cancelled during COVID.

In the last 12 months, the School has been able to draw down on restricted donations received in previous years where COVID delayed or curtailed spend; specifically bursary support for Associates and intensive course students, building projects and programmes to enhance our full time student experience. Total expenditure of restricted funds for the year was £2,855,000 (2021: £1,667,000)

The total costs of raising funds remained low at £520,000 (2021: £350,000) which amounted to 16% of donated income. This figure includes expenditure on fundraising and all marketing and communications activity. The increase is due to the expansion of the School's digital offer offset by £63,000 of donated income.

PENSION PROVISION

Although the defined benefit pension scheme is now closed for future accrual, it remains a significant risk for the School, particularly as the scheme reaches the end of its life circa 2034. The deficit as valued by FRS 102 is included in the balance sheet as a long-term liability and balanced by a negative pension reserve. The triennial valuation continues to be used to calculate any repayments required, and these payments are incorporated into the longer-term financial planning of the School so that these commitments can be met as they fall due in the future.

A designated fund of £450,000 has been set aside to meet the cash commitments of purchasing member annuities.

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PLANS FOR FUTURE PERIODS

During the financial year 2021/22, the financial landscape started to shift. Inflation set in alongside shortages of goods and labour. The School's most immediate need is to ensure its financial sustainability through the next few years. The School is wrestling with a business model that relies on Government investment in a period of high inflation and anticipated cuts to government spending.

Alongside the financial discussions sit wider questions of

- finding the right balance between elite training requirements and effective support for the whole child;
- supporting young people who do not make it through the School;
- the environmental, social and governance agenda;
- the place of ballet today and in the future;
- embedding our brand internally and externally;

DESIGNATED FUNDS

Post-COVID, the Governors set aside a designated fund for works that were scheduled but unable to be carried out during the lockdown. Most of the works were completed during 2020/21 with the final works carried out in 2021/22.

The Governors have set aside a further £450,000 in the Designated Pension Deficit Fund to fund the deficit on the School's final salary pension scheme, The Royal Ballet School Pension and Life Assurance Plan. The Scheme is expected to run for another 12 years and while a recovery plan is in place, the amounts paid in monthly will not always meet the cash requirements for annuities as members retire. This fund ensures the School has the funds to meet its obligations to its members. Further details on the pension fund can be found in Note 24.

FUNDS AND RESERVES POLICY

The School's unrestricted general reserves at the year-end amount to £4,054,000 (2021: £2,855,000). Amounts designated for depreciation on property assets, maintenance and pension funds total £34,791,000 (2021: £35,590,000). Adding in restricted funds of £2,690,000 (2021: £3,749,000) bring total reserves to £41,535,000 (2021: £42,194,000).

The unrestricted general fund is held to provide financial stability to the School while making sure that funds are used to achieve the School's aims wherever possible. The general fund allows the School to meet its financial obligations and operate its business while managing risks and funding future work and development. The level of the unrestricted funds less those set aside for depreciation and the pension deficit under the most recent triennial valuation at the year-end is £3,173,000, equivalent to 3.0 months average unrestricted operating costs. At this time, the Governors, having assessed the financial stability of the School believe the level of reserves to be adequate. However, in the longer term, the focus will be to build reserves for six months.

Governors have reviewed the reserves policy in line with Charity Commission CC19 Guidance. Given the uncertainty around funding and the economic environment, the School considers it necessary to hold reserves of a level equivalent to three to six months of operating costs.

The unrestricted designated fund has been put aside by Governors and represents the funds that are invested in property and other fixed assets for the use of the School and are therefore not available for other purposes. A further unrestricted designated fund is set aside for the Clerical Medical

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ANNUAL REPORT OF THE GOVERNORS

pension fund deficit. The designated fund of £500,000 for the White Lodge Building Maintenance Fund, will be used in 2023 to fund the design and enabling works for the White Lodge expansion.

Restricted funds are the balance of unspent funds received subject to specific conditions imposed by the donors, and are held separately to be spent in future periods.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors are responsible for the management of the risks faced by the School. The Board reviews the risk register and major risks regularly. The major risks identified include the following:

- Managing the School in an uncertain economic environment with high inflation and supply chain issues due to the war in Ukraine.
- Loss of or reduced levels of funding from the DfE in the face of stretched public finances.
- Managing safeguarding to ensure that students and staff understand how to identify risk and how and when to raise a concern, and are confident to come forward.
- Impact of the cost of living on the recruitment and retention of staff.
- Impact of the cost of living on staff and students and their families.

It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

GOING CONCERN

Governors are acutely aware of the pressures on public funding, the current cost of living crisis and the high inflationary environment. The School's Development Team are continuing to raise additional funds for the School and students to provide much needed support. Equally the Governors have invested in new commercial programmes to maximise the School's Training and Access programme while generating new revenue streams. Governors regularly review the School's management accounts, cash position and five year forecast.

The Governors have reviewed the current position carefully with a view to ensuring the ongoing provision of schooling for the pupils as well as the employment of staff. There are currently significant cash balances should additional liquidity be required through this period of uncertainty. Accordingly, the Governors believe the School's financial resources are sufficient to ensure the School will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on the going concern basis.

ROYAL BALLET SCHOOL

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GOVERNANCE

The Royal Ballet School (the School) is a charitable company limited by guarantee (registered number 547018) and not having a share capital, and it is also a registered charity (number 214364). It was established in 1955 under a Memorandum of Association which sets out the objects and powers of the Charitable Company and is governed by its Articles of Association. The School's objects and principal activity is to train and educate full-time students for a career as classical ballet dancers.

The School has a wholly owned trading subsidiary TRBS Enterprises Limited which sells branded merchandise and hires out School premises, gifting its profits to the School. Consolidated accounts have not been prepared as the activities of the subsidiary are immaterial, but the trading results are shown in Note 5 of the financial statements and any gifted profits are included in the Statement of Financial Activities.

The Royal Ballet School Endowment Fund is a connected charity whose purpose is to provide funding and facilities for the students at The Royal Ballet School. The connected charity is a separate charity with trustees who are responsible for that charity and their financial statements which are not reported on in these accounts.

The School is the official School of both The Royal Ballet and Birmingham Royal Ballet companies and as a result, has close working relationships with both Artistic Directors and their staff. The Artistic Directors of each Company are Governors of the School.

HOW WE ARE GOVERNED

The School is governed by the Board of Governors whose members are also directors of the Charitable Company and charity trustees. Governors hold office for an initial three-year term and may be re-elected for a further two three-year terms. On occasion and for the benefit of the Charity, Governors may be invited to remain on the Board for a further one-year term.

The Board is responsible for overseeing the strategy and policies of the School and meets formally at least three times a year as well as holding other meetings for strategic planning discussions as required to perform its duties.

The Board of Governors during the financial year and to the date of this report are shown on page 4.

The Board has established eight standing committees which meet regularly throughout the year and report to the Board of Governors. Each Committee is chaired by a Governor and is supported by a member of the Executive Leadership Team. These committees between them have a responsibility to the Board for all the major areas of its accountability.

Committee	Focus/outcomes
Academic	<ul style="list-style-type: none">Core school teaching and learning standards enabling every student to fulfil their potential
Finance, Audit, Operations and Risk	<ul style="list-style-type: none">Ensuring sustainable finances, robust financial management, efficient operations and the identification and mitigation of risk

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Development	<ul style="list-style-type: none"> Fundraising to support the School's development, in line with philanthropic standards
Estates	<ul style="list-style-type: none"> Buildings and estates fit for the School's current and future needs
Artistic	<ul style="list-style-type: none"> World-class artistic standards
Student and Staff Welfare	<ul style="list-style-type: none"> Physical and mental well-being of all students and staff (including safeguarding)
Governance	<ul style="list-style-type: none"> Long term organisational sustainability including Equity, diversity and inclusion, sustainability, nominations, HR, remuneration and succession planning

The Student and Staff Welfare Committee will have responsibility for formal student safeguarding and a remit to look after the interests of teachers and other staff. However safeguarding is reported on and reviewed at every Board Meeting and remains everyone's responsibility, throughout the organisation.

Nominations for new Board members are made by the Governors and Executive Officers to the Governance Committee, who then make recommendations to the Board who elect new members. Candidates are selected based on their professional skills, knowledge, competence and experience, and Governors ensure that there is an appropriate balance of relevant skills and expertise across the Board. There is a regular review of the composition of the Board, taking into account the need for succession planning as existing Governors retire. Where appropriate to ensure that the widest range of candidates is considered, professional recruitment agencies may be used.

GOVERNOR TRAINING

All Governors are inducted into the governance and operations of the School through briefings with the Chairman and members of the Executive Leadership Team. All Governors are trained to Level 2 in Child Protection and Safeguarding and a minimum of two Governors to Level 3. Governors are issued with a copy of the AGBIS Guidelines for Governors laying out best practice in the governance of independent schools. The training needs of Governors are reviewed from time to time and support is provided as necessary. Additionally, regular presentations and reports are made to the Governing body on key issues of current and ongoing importance.

The Trustees adhere to the Charity Governance Code published in 2017 which sets out the principles and recommended practices for good governance within the sector.

ORGANISATIONAL MANAGEMENT

The day-to-day operations of the School are managed by the Executive Leadership Team which is made up of the Artistic Director, Chief Operating Officer, Academic and Pastoral Principal and Commercial Director. The Executive Leadership Team are supported by a wide Senior Leadership Team.

EMPLOYMENT POLICY

To promote an environment in which the School can call upon the widest possible range of knowledge, skill and experience, as well as ensure compliance with the relevant legislation and

ROYAL BALLET SCHOOL

ANNUAL REPORT OF THE GOVERNORS

codes of practice, the Royal Ballet School is committed to achieving and maintaining a workforce which represents the population within its recruitment area. The School has an equality policy to ensure fairness and equality of opportunity to all staff regardless of their status regarding age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

The School regularly reviews the operation of its recruitment, promotion, training and development policies to ensure that no applicant for employment or member of staff is disadvantaged by conditions or requirements which cannot be shown to be justifiable.

PUBLIC BENEFIT

The School remains committed to the aim of providing public benefit in accordance with its founding principles. The Governors' have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

The School makes a major contribution to the country's global reputation for arts and culture, specialising in the area of classical ballet. A place at the School is open to any young person possesses the potential and talent to become a professional classical ballet dancer irrespective of their social or financial background. A combination of public, private and charitable funding is available to give financial support and bursaries to students, and each year, about 85% of our students receive such support. Each year, the School is able to offer up to 184 bursaries to qualifying students, via the Department for Education's Music and Dance Scheme.

The School's Training and Access department provides national Associate programmes which offer young people regular access to classical ballet training classes and workshops. There are nine Associate centres across the United Kingdom; London, Birmingham, Bath, Manchester, Leeds, Totnes, Eastleigh, Newcastle and Dundee. All students are selected based on their potential as a classical ballet dancer rather than their ability to pay, and means-tested financial support is available irrespective of age or nationality. Donor supported travel bursaries are made available to Associate students to support with the costs of attending classes and valuable access to live performances at the Royal Opera House and other venues.

The Intensive Courses department deliver a programme of courses throughout the year allowing students of classical ballet, to experience Royal Ballet School training. Annual courses are held at The Royal Ballet School and internationally. Courses are open to British and international students aged 10 to 20 years old. Again, all students are selected based on their ability rather than financial means and means-tested bursary support is available for all intensive courses.

Alongside the offer of studio-based classes, the School provides a programme of online classes. Students from all over the world are able to access these classes which cover a wide range of content for various abilities.

The School also runs a national community access programme called Primary Steps. Funded by the DfE, Primary Steps partners with state schools to offer a complete dance programme for KS2. There are five school centres for the programme around the country in Blackpool, Bury St Edmonds, Dagenham, Swindon and Mansfield. In June 2022, the School made the Primary Steps programme available to all primary schools via its online platform at a cost of £3 per student per year.

Other access opportunities are available, such as demonstrations for state school students studying GCSE dance or various Insight events for the general public. A programme of professional development is available for teachers of classical ballet.

ROYAL BALLET SCHOOL

ANNUAL REPORT OF THE GOVERNORS

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each of the Governors is aware, there is no relevant audit information of which the charitable company's auditor is unaware. Each Governor has taken all the steps that they ought to have taken as a Governor to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

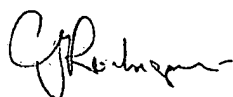
The Governors (who are also directors for the purposes of company law) are responsible for preparing the Governors' annual report and financial statements in accordance with applicable law and the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Governors on 11 June 2023. This approval includes the approval, in their capacity as company directors, of the Directors' and Strategic Reports contained within the Annual Report. The Annual Report is signed as authorised on behalf of the Board of Governors by:



Christopher Rodrigues CBE
Chair of Governors

ROYAL BALLET SCHOOL

INDEPENDENT AUDITORS REPORT

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

OPINION

We have audited the financial statements of The Royal Ballet School for the year ended 31 August 2022 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this

ROYAL BALLET SCHOOL

INDEPENDENT AUDITORS REPORT

gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the

ROYAL BALLET SCHOOL

INDEPENDENT AUDITORS REPORT

Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were the Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR) and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of voluntary income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

USE OF OUR REPORT

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 charitable 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 charitable company and the charitable

ROYAL BALLET SCHOOL

INDEPENDENT AUDITORS REPORT

company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

27 June 2023

ROYAL BALLET SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES

As at 31 August 2022

STATEMENT OF FINANCIAL ACTIVITIES		Unrestricted Funds		Restricted Funds	Total Funds 2022	Total Funds 2021
	Note	General £000	Designated £000	£000	£000	£000
Income from:						
Charitable activities	2	9,228	-	1	9,229	8,289
Donations	3	1,450	-	1,795	3,245	3,358
Other income	4	60	-	-	60	120
Total income		10,738	-	1,796	12,534	11,767
Expenditure on:						
Raising funds						
Development and fundraising		407	-	113	520	350
		407	-	113	520	350
Charitable activities						
Teaching		3,340	-	424	3,764	3,478
Pastoral and welfare		1,917	-	255	2,172	1,996
Outreach and partnership		673	-	439	1,112	1,364
Intensive Courses		355	-	50	405	-
Premises		2,609	488	230	3,327	3,325
Support and governance	7,8	1,633	-	20	1,653	1,528
Grants and prizes	9	2	-	1,324	1,326	847
		10,529	488	2,742	13,759	12,538
Total expenditure	6	10,936	488	2,855	14,279	12,888
Net income / (expenditure)		(198)	(488)	(1,059)	(1,745)	(1,121)
Transfers between funds	16,17	311	(311)	-	-	-
Other recognised losses						
Actuarial gain on defined benefit pension scheme	24g	1,086	-	-	1,086	96
Net movement in funds		1,199	(799)	(1,059)	(659)	(1,025)
Total funds brought forward		2,855	35,590	3,749	42,194	43,219
Total funds carried forward	16,17	4,054	34,791	2,690	41,535	42,194

All transactions are derived from the charity's continuing operations.
All recognised gains and losses are included in the Statement of Financial Activities

The notes on page 31 to 53 form part of these financial statements.

ROYAL BALLET SCHOOL
BALANCE SHEET
As at 31 August 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	11	37,094	37,661
Current assets			
Debtors	12	1,673	1,465
Cash at bank and in hand		4,267	6,304
Total current assets		5,940	7,769
Creditors: amounts falling due within one year			
Trade and other creditors	13	(1,200)	(1,814)
Deferred income	14	(20)	-
Net current assets		4,720	5,955
Total assets less current liabilities		41,814	43,616
Creditors: Amounts falling due after one year	15	(220)	(250)
Defined benefit pension scheme liability	24b	(59)	(1,172)
Total net assets	18	41,535	42,194
The funds of the charity:			
Unrestricted funds			
General fund		4,054	2,855
Designated funds		34,791	35,590
Total unrestricted funds	16	38,845	38,445
Restricted funds	17	2,690	3,749
Total charity funds		41,535	42,194

The financial statements on pages 31 to 53 were approved by the Board of Governors and authorised for issue on 11 June 2023 and are signed on its behalf by:



Christopher Rodrigues CBE
Chair of Governors



Tom Clementi
Governor

ROYAL BALLET SCHOOL
STATEMENT OF CASH FLOWS
For the year ended 31 August 2022

	Note	2022	2021
			£000
Cash flows from operating activities:			
Net cash (used)/ provided by operating activities	A below	(1,273)	1,613
Cash flows from investing activities:			
Interest receivable		18	3
Interest payable		(11)	(18)
Proceeds from sale of fixed assets		-	-
Purchase of tangible fixed assets		(741)	(332)
Net cash used in investing activities		(734)	(347)
Cash flows from financing activities			
Repayments of borrowing		(30)	(30)
Change in cash in the reporting period		(2,037)	1,236
Cash at the beginning of the year		6,304	5,068
Cash at the end of the year	B below	4,267	6,304
Reconciliation of cash flows from operating activities:	Note A	2022	2021
		£000	£000
Net Expenditure, from the statement of financial activities		(1,745)	(1,121)
Adjustments for:			
Depreciation charge		1,308	1,224
Defined pension scheme net income		(27)	(27)
Interest receivable		(18)	(3)
Interest payable		11	18
Proceeds from the sale of fixed assets		-	-
(Increase) / decrease in debtors		(208)	1,021
(decrease) / increase in creditors		(594)	501
Net cash (sed)/provided by operating activities		(1,273)	1,613
Analysis of cash	Note B	2022	2021
		£000	£000
Cash at bank and in hand		4,267	6,304

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

1a Basis of accounting and going concern

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the FRS 102 - effective 1 January 2015.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The accounts are drawn up on the historical cost basis of accounting.

The Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. The financial statements have been prepared under the going concern concept, on the understanding that the School will continue to receive sufficient financial support to enable it to meet its liabilities as and when they fall due for payment.

The Governors have reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the pupils as well as the employment of staff. There are currently significant cash balances should additional liquidity be required through this period of uncertainty. Accordingly, the Governors believe the School's financial resources are sufficient to ensure the School will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on the going concern basis.

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 31 March 1955 (company number: 547018) and registered as a charity on 12 November 1962 (charity number: 214364).

1b Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in this section, Governors are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities – The charity recognises its liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 24.

1c Income

Income consists of school fees and expenses due and receivable, income from performances and auditions, grants receivable from the Department for Education and other bodies, donations, investment income and other income. This income is recorded in the Statement of Financial Activities when it becomes due to the School.

Royal Ballet School

Notes to the financial statements

year ended 31 August 2022

Government grants are recognised on the performance model when the charity has complied with any conditions attaching to the grant and the grant will be received. The grant in connection to the job retention scheme has been recognised in the period to which the underlying furloughed staff costs relate. Included in Income is an amount of £0 (2021: £98,000) in respect of the Coronavirus furlough scheme.

1d Expenditure

Expenditure is recognised in the period in which the cost is incurred. Costs directly relating to a School activity are allocated to that activity. Support costs comprise salaries and overheads of central functions of management and administration.

Governance costs are those costs incurred in compliance with regulation and good practice and include costs relating to the statutory audit, Governors' meetings and other constitutional and statutory requirements.

1e Grant-making policy

The Governors may from time to time make grants to The Royal Ballet School Endowment Fund on the basis that they are in the interests of the School. The grant funds will be combined with the funds of The Royal Ballet School Endowment Fund to maximise investment returns whilst protecting capital. Grants to The Royal Ballet School Endowment Fund are restricted for specific purposes and subject to a schedule of conditions.

1f Operating leases

Rental payments under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable are an incentive to sign an operating lease and are similarly spread on a straight-line basis over the lease term.

1g Taxation

Gift aid recovered on voluntary income is included with the donation to which it relates and irrecoverable VAT is included with the item of expenditure to which it relates.

1h Tangible fixed assets and depreciation

All tangible fixed assets are stated in the balance sheet at cost less depreciation. The depreciation of assets is provided in equal annual instalments over the estimated useful lives of the assets.

1i Long leasehold property

The original cost of the White Lodge long leasehold property was fully amortised in the period 1955 to 1976, although the lease was not due to expire until 2014. Subsequent major works and additions to the leasehold property were 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. 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 leasehold costs are depreciated over the term of the lease. Building costs are depreciated over 40 years.

The Floral Street leasehold property is depreciated over the term of 150 years commencing in 2002, except for building costs which are depreciated over 40 years. Up to 2009, the buildings had been depreciated over 25 years, but the policy was then reviewed and changed. The net book value at 31 August 2008 is now being depreciated over the remainder of the 40-year term.

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

1j Freehold property

The Aud Jebson Hall student accommodation is a freehold property and is being depreciated over 50 years from Easter 2016 when it was completed. Finance costs on loans taken out for the purchase of

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the property have been capitalised during the period when the property was being refurbished.

1k Furniture, fixtures and equipment

Assets with a cost of more than £1,000 are capitalised and these are depreciated over their expected useful lives as follows:

Major refurbishment and minor structural changes	10 years
Furniture, fixtures and equipment	5 -10 years
Computer equipment	3 years
Motor vehicles	4 years

1l 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.

1m Foreign currency

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.

1n Pension schemes

Employees of the School are entitled to join the group personal pension scheme and employer contributions are charged to expenditure in the accounting period in which they are payable.

Teachers are entitled to join the Teachers' Pension Scheme which is an unfunded multi-employer defined benefits pension scheme. Contributions are charged to expenditure in the accounting period in which they are payable as if the scheme were a defined contribution scheme, as the School does not have sufficient information to account as a defined benefit scheme.

The School operated a defined benefit scheme, The Royal Ballet School Pension and Life Assurance Plan, which was closed to new entrants in 2002 and for future accrual on 31 August 2012. The assets and liabilities of the scheme are reported in these financial statements as required by FRS 102. The statement of financial activities includes the expected return on scheme assets in investment income, the interest cost in other finance costs, and the actuarial gains and losses arising from the annual valuation. The pension liability is recognised in the balance sheet as the School has a legal obligation to settle the liability over the long term.

See note 24 for more detail on the pension schemes.

1o Fund accounting

Unrestricted funds comprise the accumulated unrestricted surplus or deficit each year. They are available for use at the discretion of Governors in furtherance of the general charitable objectives. The general pensions reserve represents the deficit in the defined benefit pension scheme (see note 24).

Unrestricted designated funds are amounts that have been put aside at the discretion of the Governors. At the year-end, they comprised a Fixed asset fund, a Building maintenance fund and an Associate Programme fund. The Fixed asset fund represents the extent to which donated funds are invested in fixed assets for use by the School and therefore are not available for other purposes. The Building maintenance fund represents funds put aside to maintain buildings, especially White Lodge. The Associate Programme fund represents a legacy with a stated preference for the funds to be spent on the Associate Programme.

Restricted funds are funds subject to specific restricted conditions imposed by the donors.

Royal Ballet School
Notes to the financial statements
year ended 31 August 2022

Details of unrestricted funds are shown in note 16 and restricted funds in note 17.

1p Financial instruments

The School has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade debtors, accrued income and all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year-end exchange rate.

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year ended 31 August 2022

2	Charitable activities income	2022	2021
		£000	£000
	School fees – note 2a	7,298	6,716
	Extras and performance income	132	129
	Fees from Associates, Summer School and teachers' courses	1,641	1,322
	Auditions and other income	157	122
		9,228	8,289
2a.	School Fees		
	School fees were funded from:		
	Grants from the Department for Education	3,803	3,678
	Bursaries from The Royal Ballet School Endowment Fund	-	149
	Bursaries from restricted donations	1,147	637
	Parents	2,348	2,252
		7,298	6,716
3	Donations	2022	2021
		£000	£000
	Grants	1,131	1,131
	Donations	2,093	2,213
	Friends	21	14
		3,245	3,358
4	Other Income	2022	2021
		£000	£000
	Investment income – bank interest	18	3
	Other income	42	19
	Coronavirus furlough scheme	-	98
		60	120

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5 Trading subsidiary

The Charity has one wholly owned subsidiary, TRBSE Enterprises Limited, whose registered address is 46 Floral Street, London WC2E 9DA. The activities of TRBS Enterprises Limited are immaterial to those of the Group so consolidated accounts have not been prepared. Due to the presentation of the School's accounts in round thousands, the subsidiary shares of £100 held, are not shown as an investment in these financial statements. The company's trading results are the year, extracted from its audited financial statements were:

	2022 £000	2021 £000
Turnover	142	47
Cost of sales	(64)	(39)
Gross profit	78	8
Administrative expenses: Licence to occupy premises	(1)	(1)
Other expenses	(87)	(20)
(Loss) on ordinary activities before gift aid	(10)	(13)
(Loss) on ordinary activities before taxation	(10)	(13)
Tax on profit on ordinary activities	-	-
(Loss) for the year	(10)	(13)
Net (liabilities)	(22)	(12)

6 Expenditure analysis

	Staff costs £000	Depreciation £000	Other costs £000	Total 2022 £000	Total 2021 £000
Raising funds					
Development and fund raising	340	-	180	520	350
Charitable activities					
Teaching	3,306	-	458	3,764	3,478
Pastoral and welfare	938	-	1,234	2,172	1,996
Outreach and partnership	1,094	-	423	1,517	1,364
Premises	786	1,308	1,233	3,327	3,325
Support and governance	562	-	1,091	1,653	1,528
Grants and prizes	-	-	1,326	1,326	847
	6,686	1,308	5,765	13,759	12,538
Total expenditure	7,026	1,308	5,945	14,279	12,888

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7 Governance costs	Total 2022 £000	Total 2021 £000
Governance costs included in support costs:		
Fees payable to the auditor for the statutory audit	25	34
Over accrual for prior year fees relating to the statutory audit	(11)	(2)
Fees payable to the auditor for tax advice	3	-
Fees payable to the auditor for Teacher Pension advice	-	1
Board and committee costs	1	16
Total	18	49

8 Finance and lease costs	Total 2022 £000	Total 2021 £000
Bank interest payable	11	18
Interest on pension plan	20	20
Operating leases: land and buildings	184	177
Operating leases: pianos and office equipment	14	26

9 Grants and prizes expenditure

Grants are for student sponsorship and bursaries for full-time students, Associates and Intensive Course participants. Apart from a few scholarships for full-time students, all grants are means-tested.

	Total 2022 £000	Total 2021 £000
Other grants	1,320	841
Prizes	6	6
Total	1,326	847

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10 Staff costs	2022	2021
	£000	£000
Wages and salaries	5,828	5,476
Social security costs	577	524
Other pension costs	601	545
Other costs	20	18
	<u>7,026</u>	<u>6,563</u>

One Governor claimed travel expenses of £228 in the year (2021: Nil).

Total employee benefits including employer pension contributions and national insurance of the Senior Leadership Team were £990,052 (2021: £962,430).

The School made aggregate termination payments of £34,863 (2021: £6,194) with none outstanding at the year end.

	2022 Number	2021 Number
The number of higher paid employees in bands of:		
£60,001 to £70,000	2	6
£70,001 to £80,000	0	1
£80,001 to £90,000	3	1
£100,001 to £110,000	1	1
	<u>6</u>	<u>9</u>

The average headcount of the School's employees for the year 2022 was 249 (2021: 241).

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11 Tangible fixed assets

As at 31 August 2022

Tangible Fixed Assets	Long Lease Property				Freehold Property	Furniture, fixtures and Equipment				Motor Vehicle	TOTAL
	White Lodge	White Lodge Assets in Construction	Floral Street	Jebsen House	AJH	White Lodge	Floral Street	Jebsen House	AJH		
Cost											
As at 1 September 2021	23,041	-	15,268	787	14,960	1,177	1,686	49	157	76	57,201
Additions	-	323	-	-	-	279	145	-	-	-	747
Disposals	-	-	-	-	-	(342)	(496)	-	-	(5)	(843)
As at 31 August 2022	23,041	323	15,268	787	14,960	1,114	1,335	49	157	71	57,105
Depreciation											
As at 1 September 2021	8,553	-	5,746	492	1,804	1,142	1,587	49	106	61	19,540
Charged in the year	496	-	327	39	312	69	31	-	22	15	1,311
Disposals	-	-	-	-	-	(342)	(496)	-	-	(5)	(843)
As at 31 August 2022	9,049	-	6,073	531	2,116	869	1,122	49	128	71	20,008
Net book value at 31 August 2022	13,992	323	9,195	256	12,844	245	213	-	29	-	37,097
Net book value at 31 August 2021	14,488	-	9,522	295	13,156	35	99	-	51	15	37,661

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12 Debtors	2022	2021
	£000	£000
Amounts falling due within one year:		
Fees and recoverable extras	27	105
Intercompany	212	209
Connected charity (see Note 22)	421	385
Other debtors	1	34
Prepayments	175	184
Accrued Income	837	548
Total	1,673	1,465

13 Creditors: amounts falling due within one year	2022	2021
	£000	£000
Trade creditors	391	648
Taxation and social security	158	160
Other creditors	127	85
Accruals	313	145
Bank loan due within one year	30	30
Department for Education – Music and Dance Scheme funding	181	746
Total	1,200	1,814

14 Deferred income	2022	2021
	£000	£000
Fees in advance	20	-
Total	20	-

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15 Creditors: amounts falling due after one year	2022 £000	2021 £000
Creditors due in 2 to 5 years		
Bank loans	121	121
Creditors due in 5 years		
Bank loans	99	129
Total	220	250

Bank loans at 31 August 2022 include a fixed rate loan of £250,009 (2021: £281,000) repayable by November 2030, with £30,000 due within one year, and an interest rate is 6.01% per annum. This loan is secured by charge over the White Lodge property.

16 Unrestricted funds	Balance as at 1 Sep 21 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (Losses) £000	Balance as at 31 Aug 22 £000
Designated						
Fixed asset fund	34,223	-	(382)	-	-	33,841
Building maintenance fund	500	-	-	-	-	500
Associate Programme	311	-	-	(311)	-	-
Pension Deficit Fund	450	-	-	-	-	450
Deferred IT and building maintenance fund	106	-	(106)	-	-	-
	<u>35,590</u>	<u>-</u>	<u>(488)</u>	<u>(311)</u>	<u>-</u>	<u>34,791</u>
General						
Pension reserve	(1,172)	-	(20)	47	1,086	(59)
Free reserves	4,027	10,737	(10,915)	264	-	4,113
	<u>2,855</u>	<u>10,737</u>	<u>(10,935)</u>	<u>311</u>	<u>1,086</u>	<u>4,054</u>
Total	<u>38,445</u>	<u>10,737</u>	<u>(11,423)</u>	<u>-</u>	<u>1,086</u>	<u>38,845</u>

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Unrestricted funds 2020-21	Balance as at 1 Sep 20 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (Losses) £000	Balance as at 31 Aug 21 £000
Designated						
Fixed asset fund	35,371	-	(1,148)	-	-	34,223
Building maintenance fund	500	-	-	-	-	500
Associate Programme	367	-	(56)	-	-	311
Pension Deficit Fund	450	-	-	-	-	450
Deferred IT and building maintenance fund	247	-	(141)	-	-	106
	<u>36,935</u>	<u>-</u>	<u>(1,345)</u>	<u>-</u>	<u>-</u>	<u>35,590</u>
General						
Pension reserve	(1,295)	-	(20)	47	96	(1,172)
Free reserve	4,210	9,720	(9,856)	(47)	-	4,027
	<u>2,915</u>	<u>9,720</u>	<u>(9,876)</u>	<u>-</u>	<u>96</u>	<u>2,855</u>
Total	<u>39,850</u>	<u>9,720</u>	<u>(11,221)</u>	<u>-</u>	<u>96</u>	<u>38,445</u>

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 unrestricted funds are as follows:

Designated fixed asset fund

This fund represents amounts expended on tangible fixed assets required for the operation of the School.

Designated building maintenance fund

This fund represents amounts designated and set aside by Governors to fund the ongoing repairs and maintenance of White Lodge. The School has received planning permission to undertake an expansion of the Senior Boarding Block at White Lodge. These funds will be used in 2022/23 to fund the design and enabling works for this project.

Designated Associate Programme fund

This fund represents amounts designated and set aside by Governors to support the Associate Programme. This fund has now been released.

Designated Pension Deficit Fund

The Royal School Pension and Life Assurance Scheme closed to new members in 2006 and ceased accrual in 2012. There are 26 deferred members with the last member due to retire in 2034. The Triennial valuation of 1 September 2019 showed a funding deficit of £486,000 and the School has submitted a recovery plan to The Pension Regulator (see Note 24). These funds are set aside to meet future cash commitments for member annuities as the recovery payment plan is phased evenly over the remaining life of the scheme but member retirements are more sporadic.

General reserves

The negative pension reserve represents the School's liabilities in respect of The Royal Ballet School Pension and Life Assurance Plan which is a defined benefit scheme that is now closed to new members (see note 24).

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The free reserves represent the balance of unrestricted funds which have not been designated and are available for use at the discretion of the Governors in furtherance of the general charitable activities. This is before deducting the pension reserve, as the pension deficit is a long-term liability.

Transfers

- i. £311,000 of designated funds set aside for the Associate Programme were released back to the General Fund.
- ii. £47,000 of general funds were transferred to the pension reserve to cover the costs of employer pension deficit repayments in the year.

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year ended 31 August 2022

iii.

17	Restricted funds	Balance as at 1 Sep21 £000	Income £000	Expenditure £000	Transfers £000	Balance as at 31 Aug 22 £000
	Aud Jebsen Hall - Pimlico Appeal	49	-	(49)	-	-
	Capital projects	8	-	(8)	-	-
	Special projects	81	147	(153)	-	75
	Sponsorship, bursaries and prizes	1,340	830	(1,615)	-	555
	Outreach and Access fund	486	408	(415)	-	479
	Ballet and artistic funds	432	146	(200)	-	378
	Healthcare	1,003	265	(250)	-	1,018
	Equipment	151	-	(86)	-	65
	Intensive Courses	116	-	4	-	120
	WiFi cabling	20	-	(20)	-	-
	Films	63	-	(63)	-	-
		<u>3,749</u>	<u>1,796</u>	<u>(2,855)</u>	<u>-</u>	<u>2,690</u>
	Restricted funds 2020-21	Balance as at 1 Sep 20 £000	Income £000	Expenditure £000	Transfers £000	Balance as at 31 Aug 21 £000
	Aud Jebsen Hall - Pimlico Appeal	49	-	-	-	49
	Capital projects	8	-	-	-	8
	Special projects	11	278	(208)	-	81
	Sponsorship, bursaries and prizes	1,139	1,004	(803)	-	1,340
	Outreach and Access fund	317	407	(238)	-	486
	Ballet and artistic funds	476	105	(149)	-	432
	Healthcare	1,073	180	(250)	-	1,003
	Equipment	151	10	(10)	-	151
	Intensive Courses	125	-	(9)	-	116
	Wi-Fi cabling	20	-	-	-	20
	Films	-	63	-	-	63
		<u>3,369</u>	<u>2,047</u>	<u>(1,667)</u>	<u>-</u>	<u>3,749</u>

Restricted funds are used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. A significant proportion of donations are received in the current in advance of expenditure in the following year.

White Lodge 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.

Sponsorship, bursaries and prizes

This fund includes donations for financial support for full-time students, Associates and Summer School

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students and some prizes. All support is means-tested apart from a small number of scholarships. The School awards places based only on talent, so this support is particularly crucial to help fund overseas students, which raises the standard for all students and allows the School to maintain its place as one of the best classical ballet schools in the world.

Outreach and Access

This fund represents grants from the Department for Education, Trusts and Foundations and other donors to further the aims and objectives of the School's Outreach and Access programme.

Ballet and artistic funds

These donations are restricted for performances and new ballets, graduate tours, choreography and the Creative Artist Programme, which all help add breadth and depth to student training. The Creative Artist Programme was introduced to broaden the students' artistic experience by exposing them to a broad range of experts who have excelled in their field, both in artistic and in other areas.

Healthcare

This donation is to help the School improve its healthcare provision for three years, through the Healthy Dancer programme.

Equipment

Donations have been received to fund the updating of the technical equipment in the Margot Fonteyn Theatre at White Lodge, and Smart screens for classrooms to allow academic teaching across the two School sites.

Intensive Courses

This fund is to support the expansion of the Intensive Course programme into Hong Kong and provide financial assistance to students from Hong Kong who may otherwise be unable to pay for the course.

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18 Allocation of assets by fund type

	Unrestricted general fund £000	Unrestricted designated funds £000	Restricted funds £000	Total 2022 £000
Fixed assets	3,253	33,840	-	37,094
Debtors	1,673	-	-	1,673
Cash at bank	627	951	2,690	4,267
Creditors: due within one year	(1,220)	-	-	(1,220)
Creditors: due after one year	(220)	-	-	(220)
Defined benefit pension scheme deficit	(59)	-	-	(59)
	<u>4,054</u>	<u>34,791</u>	<u>2,690</u>	<u>41,535</u>

**Allocation of assets by fund type
2020-21**

	Unrestricted general fund £000	Unrestricted designated funds £000	Restricted funds £000	Total 2020 £000
Fixed assets	3,380	34,223	58	37,661
Debtors	1,332	-	-	1,332
Cash at bank	1,245	1,367	3,691	6,303
Creditors: due within one year	(1,680)	-	-	(1,680)
Creditors: due after one year	(250)	-	-	(250)
Defined benefit pension scheme deficit	(1,172)	-	-	(1,172)
	<u>2,855</u>	<u>35,590</u>	<u>3,749</u>	<u>42,194</u>

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19 Liability of members

The Charitable company is limited by guarantee and does not have a share capital. In the event of the Company being wound up, the maximum amount which each member is liable to contribute is £1. There were 16 (2021:17) members at the year-end who are the Governors of the School.

20 Capital commitments

There were £69,684 capital commitments at the end of the reporting period (2021: £112,600).

21 Commitments under operating leases

	2022	2021
	£000	£000
The total of future minimum lease payments under operating leases for each of the following periods:		
Not later than one year	186	195
Later than one year and not later than five years	772	553
Later than five years	274	645
	<u>1,232</u>	<u>1,393</u>

22 Related party transactions

TRBS Enterprises Limited

The subsidiary charity trades by hiring out School premises at times when they are not required by the School. During the year the following transactions were made with the School:

The School recharged £5,580 (2021: £5,580) of costs for staff time and other costs directly related to the activities of the subsidiary. The School charged licence fees of £1,000 (2021: £1,000) to the subsidiary.

At the end of the year the School was owed £211,607 by the subsidiary, see note 12, (2021: £209,245).

The Royal Ballet School Endowment Fund

The connected charity The Royal Ballet School Endowment Fund provides funding and facilities for the students of The Royal Ballet School. During the year the following transactions were made with the School:

The School received grants of £29,500 (2021: £381,076) from the Endowment Fund. The grants paid for bursaries for students for School fees, The Royal Ballet School collection and a grant for repairs to White Lodge.

The School does not charge the Endowment Fund for staff time for administering the charity.

At the end of the year the School was owed £421,077 by the Endowment Fund (2021: £384,977).

Governors of The Royal Ballet School

Governors did not receive any payment or expenses from the School as disclosed in note 10. The total amount of donations received from Governors in the year was £64,314 (2021: £129,500). None of the Governors' donations were given with conditions that required the charity to alter the nature of its existing activities.

Employees of The Royal Ballet School

During the year the School engaged the wife of the Artistic Director to deliver contemporary dance classes. A fee of £1,218 (2021: £4,078) was paid.

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23 Taxation

As a registered charity, The Royal Ballet School is potentially exempt from taxation of income and gains falling within sections 466 to 493 of the Corporation Tax Act 2010 and section 521 to 536 of the Income Tax Act 2007.

24 Pension commitments

The School operates a group personal pension scheme, a defined benefit scheme with the Teachers' Pension Scheme and also a defined benefit scheme which was closed to future accrual on 31 August 2012, known as The Royal Ballet School Pension and Life Assurance Plan.

Group personal pension scheme

Contributions for the group personal pension scheme are charged to expenditure in the accounting period in which they are payable. Pension charges for the year were £385,000 (2021: £316,455).

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £216,000 (2021: £208,422) and at the year-end £nil (2019 - £nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a 'pay as you go' basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following the public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 Valuations.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation

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may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism revision is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

The Royal Ballet School Pension and Life Assurance Plan (the "Plan")

This defined benefit pension scheme provides benefits based on pensionable pay up to 31 August 2012 when the Scheme ceased accrual. The assets of the Plan are held separately from those of the School, being invested with Clerical Medical and General Life Assurance Society in their Pension Contract.

Contributions and triennial valuations

The contributions are recommended by an independent qualified actuary from Clerical Medical on the basis of triennial valuations carried out by the actuary on behalf of the Trustees of the Plan.

The most recent triennial valuation was as at 1 September 2019. The market value of the Plan's assets was £2,370,000 and the benefits accrued to members were £2,856,000, giving a funding deficit of £486,000 and a funding level of 83%. The actuarial assumptions underlying this valuation are different to those adopted under FRS 102 included in these financial statements.

The Trustees have agreed with the School that contributions will continue at £47,000 per annum from 1 September 2021 to improve the funding level in the Plan to address the deficit. In the year to 31 August 2022, £47,000 (2021: £47,000) was paid. The expected recovery end date is August 2031.

The funding position of the Plan and contributions to be paid will be reviewed again at the next triennial valuation due as at 1 September 2022, which will be completed during the 2022/23 financial year.

Valuation for these financial statements under FRS 102

The Plan was valued at the end of the reporting period by a qualified Independent Actuary in accordance with Financial Reporting Standard 102, and the following notes 24a to 24i relate to this valuation. This valuation has different actuarial assumptions to the triennial valuation.

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24a The principal actuarial assumptions at the end of the reporting period (expressed as weighted averages):

	2022 £000	2021 £000
Discount rate	4.2%	1.7%
RPI assumption	4.0%	3.7%
CPI assumption	3.2%	2.9%
LPI pension increases	3.8%	3.5%

The underlying mortality assumption is based upon the standard table known as S2PXA projected on a year of birth basis with CMI_2020 future improvement factors and a long-term rate of future improvements with 1.25% p.a. (2020: S2PXA with CMI_2019 future improvement factors and a long-term future rate of improvement of 1.25% p.a.). This results in the following life expectancies:

	Years	Years
Life expectancy for 60-year-old female	88.5	88.4
Life expectancy for 45-year-old female	89.6	89.6

24b The amounts recognised in the balance sheet:

	2022 £000	2021 £000
Present value of Plan liabilities	(2,556)	(3,574)
Market value of Plan assets	2,497	2,402
Net defined benefit liability	(59)	(1,172)

24c Amounts included within the Statement of Financial Activities (SOFA):

	2022 £000	2021 £000
Current service cost	-	-
Interest on net defined benefit asset	(20)	(20)
Past service cost	-	-
Total amount charged within net incoming resources	(20)	(20)

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24d	Changes in the present value of Plan liabilities:	2022	2021
		£000	£000
	Present value of scheme liabilities at beginning of the year	(3,574)	(3,591)
	Past service cost	-	-
	Benefits paid	22	37
	Interest on Plan liabilities	(61)	(57)
	Actuarial loss/ (gain)	1,057	37
	Present value of Plan liabilities at end of the year	(2,556)	(3,574)
24e	Changes in the fair value of Plan assets:	2022	2021
		£000	£000
	Market value of Plan assets at beginning of the reporting period	2,402	2,296
	Employer contributions	47	47
	Benefits paid	(22)	(37)
	Interest on Plan assets	41	37
	Return on assets, less interest included in the SOFA	29	59
	Market value of the Plan assets at the end of the reporting period	2,497	2,402
	Actual return on Plan assets	70	96
24f	The major categories of Plan assets as a percentage of total Plan assets:	2022	2021
	Group pension contract	100%	100%
	Cash	0%	0%

The Plan had no investments in property occupied by, assets used by or financial instruments issued by the School.

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24g	Analysis of the measurement of the net defined benefit liability recognised in Other recognised losses in the SOFA:		
		2022	2021
		£000	£000
	Return on assets, less interest included in the SOFA	29	59
	Experience gains and losses arising on Plan liabilities	(215)	74
	Changes in assumptions underlying the present value of Plan liabilities	1,272	(37)
		<hr/>	<hr/>
	Actuarial loss/(gain) recognised in Other recognised losses	1,086	96
		<hr/>	<hr/>
24h	Movement in deficit during the year		
		2022	2021
		£000	£000
	Deficit in the scheme at the beginning of the year	(1,172)	(1,295)
	Interest recognised in the SOFA	(20)	(20)
	Employer contributions	47	47
	Actuarial loss/(gain) recognised in Other recognised losses in the SOFA	1,086	96
		<hr/>	<hr/>
96	Deficit in the scheme at the end of the year	(59)	(1,172)
		<hr/>	<hr/>

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25 Statement of financial activities – comparative figures for the prior period by fund

	Note	Unrestricted Funds		Restricted Funds	Total Funds
		General	Designated		2021
		£000	£000	£000	£000
Income from:					
Charitable activities	2	8,287	-	2	8,289
Donations	3	1,313	-	2,045	3,358
Other income	4	120	-	-	120
Total income		9,720	-	2,047	11,767
Expenditure on:					
Raising funds					
Development and fundraising		350	-	-	350
		350	-	-	350
Charitable activities					
Teaching		3,385	-	93	3,478
Pastoral and welfare		1,734	-	262	1,996
Outreach and partnership		1,099	-	265	1,364
Premises		1,866	1,252	207	3,325
Support and governance	7,8	1,426	93	9	1,528
Grants and prizes	9	16	-	831	847
		9,526	1,345	1,667	12,538
Total expenditure	6	9,876	1,345	1,667	12,888
Net income / (expenditure)		(156)	(1,345)	380	(1,121)
Transfers between funds	16,17	-	-	-	-
Other recognised losses					
Actuarial (losses)/gain on defined benefit pension scheme	24g	96	-	-	96
Net movement in funds		(60)	(1,345)	380	(1,025)
Total funds brought forward		2,915	36,935	3,369	43,219
Total funds carried forward	16,17	2,855	35,590	3,749	42,194

All transactions are derived from the charity's continuing operations.

All recognised gains and losses are included in the Statement of Financial Activities