

**DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2016**

## DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

### COMPANY INFORMATION

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<b>Directors</b>	G. F. Pine S. Coen - principal and accounting officer S. J. Atkins (appointed 30 October 2015) L. de Abreu - deputy principal D. G. Hayes J. K. A. Hunt M. H. Skinner K. Turner J. P. Emery (appointed 27 June 2016) N. Patel (appointed 11 October 2016)
<b>COMPANY SECRETARY</b>	C. J. Harper
<b>REGISTERED NUMBER</b>	03088287
<b>REGISTERED OFFICE</b>	1 Bedford Row London WCR1 4BZ
<b>TRADING ADDRESS</b>	Alma Road Sidcup Kent DA14 4ED
<b>INDEPENDENT AUDITORS</b>	Venthams Chartered Accountants & Statutory Auditors 51 Lincoln's Inn Fields London WC2A 3NA
<b>SOLICITORS</b>	Gregory Rowcliffe Milners 1 Bedford Row London WC1R 4BZ
<b>KEY MANAGEMENT PERSONNEL</b>	Key management personnel are defined as members of the College Leadership Team and were represented by the following persons in 2015/16: S. Coen - principal and accounting officer L. de Abreu - deputy principal M. Elliott - assistant principal L. Figuerola - assistant principal J. Stanning - assistant principal

**DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**

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## DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2016

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The directors present their report and the financial statements for the year ended 31 July 2016.

#### LEGAL STATUS

The Company was incorporated as Doreen Bird College of Performing Arts Limited on the 7 August 1995 under the provisions of the Companies Act 1985. The Company trades as a college of education in the performing arts using the name of Bird College and is referred to in these reports as both The Company and The College.

#### PRINCIPAL ACTIVITY

The College provides specialist vocational training at further and higher education level in dance, drama and musical theatre. The College runs a further education diploma course in Dance and Drama for students of 16 plus, validated by Trinity College, London and a higher education degree course in Dance and Drama validated by the University of Greenwich for students of 18 plus. Both of these courses last for three years. The College also offers a one year pre professional foundation course and various short courses in Dance and Drama mainly in school holidays for students under 16. The College is an accredited provider of the Council for Dance Education and Training.

The College also provides peripatetic, instrumental and vocal tuition to local Primary Schools under a contract with the Local Education Authority as well as individual tuition for pupils and instrumental groups. This area of activity also incorporates a Junior Dance School for local children.

The College and its parent company award Scholarship and Support to some students and receives bursaries from outside bodies to fund the fees for some students.

#### MISSION, VISION, GOALS AND OBJECTIVES

##### Our Mission is to:

Preserve and build upon our reputation for excellence as a leading and unique provider of vocational education and training in dance, music and theatre performance. Six key principles support this mission:

- The recruitment, without prejudice, of the most talented students, who show the necessary passion for their craft and whom the College prepares for a life-long engagement in the performance arts as articulate, creative and versatile artists.
- The setting of demanding training programmes within a nurturing environment in which each student is treated equally and as an individual artist, and where his/her talent is respected in order to steer personal ambitions regardless of any differences.
- The work of the College is closely aligned to the performance professions and securely rooted within the community sector, and draws upon and contributes to the expertise of the specialist vocation training sector.
- The regular review of programmes, partnerships and operations which ensures their worth in order to provide meaningful opportunities for students and a dynamic workplace for staff.
- The recruitment of the best staff, each an expert in his or her own field.
- The maintenance of an organisation that is well-managed, open and accountable, and gives all staff and students a voice.

**DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2016**

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**Our vision is to:**

Build on our reputation and success nationally and internationally as the UK's most outstanding and dynamic centre offering world class education and professional training in dance, music and theatre performance. To achieve this we will:

- Build upon our national and international reputation for recruiting, motivating and inspiring the most talented learners from widely diverse backgrounds through education and professional training
- Employ high calibre practitioners who are leaders in their chosen field and who are complemented by an outstanding team of support staff.
- Ensure the employability, professionalism and versatility of our graduates, thus ensuring that the College is at the forefront of international theatre.
- Create initiatives which improve the attractiveness of the College and its curriculum to learners from a more diverse of backgrounds.

**Goals:**

In support of the above vision and mission, The College has the following goals:

- To ensure financial viability and sustainability including the development of a 3 year plan to bring together all the College's services to ensure they deliver year on year growth and profitability and to ensure that the services the College offers are widened and expanded.
- To have a reputation for excellence and create an organisational culture that is enterprising, equal and diverse including the development of policies to enhance the well being of staff and students.
- To operate from a one site, world class facility including the development of a 5 year plan to identify future capital needs and how these may be funded.

**Financial objectives:**

The College's financial objectives are:

- To achieve an annual operating surplus.
- To generate sufficient levels of income to support the asset base of the College.
- To further improve the College's shorter term liquidity.
- To fund continued capital investment.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2016**

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**FINANCIAL POSITION**

**Results for the period:**

The College generated an operating profit in the year of **£27,226** (2015 **£71,781**). Income for the year showed an increase compared to the previous year following the increase in student numbers and the variety of courses offered. There was a resultant increase in staff costs. Other operating expenses also increased, partially as a result of the move to new premises. The operating profit is stated after deduction of a payment of **£75,045** (2015 **£Nil**) to the College's parent company charity in respect of the taxable profit earned in the previous year and excluding this the profit would have been **£102,271** (2015 **£71,781**).

The College has adopted a policy of revaluation of all its assets as at 31 July 2015 with additions since that date being shown at cost. This resulted in a surplus on revaluation of **£378,828** (2015 **£Nil**) being recognised in the accounts.

The College had accumulated reserves at 31 July 2016 of **£662,017** (2015 **£255,963**) and cash balances of **£1,136,432** (2015 **£90,445**). The cash balance was at a high level at the year end as result of the provision by the College's bank of funds to finance the development of the new site which were paid for after the year end. The directors regard these accumulated reserves and cash balances as satisfactory for the Company's immediate needs but are conscious of the need to maintain and increase these in order to fund the property transactions mentioned elsewhere in this report.

**Support from external and government bodies:**

The College continues to be reliant upon funding from national and local education grants and 52% of our income continues to come from these grants.

The College has continued to receive monies under the Dance and Drama Awards (DADA) Scheme. The DADA scheme was revised for students commencing their course in September 2013. Applicants audition for places on the Diploma and if they reach the necessary standard, then they are offered the opportunity to be considered for a DADA award. Financial circumstances become the key criteria and determine how much financial assistance a student receives for both tuition fees and maintenance. The College, rather than the Education Funding Agency, is now responsible for administering maintenance funds. How much money The College retains for tuition fees depends upon the financial circumstances of applicants as the funds available are required to fund both fees and maintenance.

Degree students fund their own fees of **£9,000**. All students can access a loan to cover this through the student loan company. Greenwich University acts as a conduit for these funds and passes the funding to The College.

**Cash flows and liquidity**

The College's parent company has arranged loans and facilities to acquire and refit a new building that the College now occupies enabling the College to relocate from a range of dispersed sites to a one-site facility. The parent company has been drawing down on this loan since February 2016 and using the funds to refit the site so it is suitable for occupation by the College. Prior to the granting of this loan, the costs involved with the acquisition of the site, the development of plans for the buildings and miscellaneous related costs have been paid partially from funds of the College (although the costs are being reflected as expenditure in the accounts of the parent company) and this has had an impact on the liquidity of the College.

**DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2016**

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**Treasury policy and objectives**

Treasury management is the management of The College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The College has no requirement for sophisticated treasury management policies as its affairs are relatively straightforward.

**STAFF AND STUDENTS**

**Student numbers**

During 2015/16 the College had 498 students who were funded in a range of ways. 51 of these students were self funded, 122 were funded from the Dance and Drama Award and 325 were funded by the the University of Greenwich or through the Student Loan Company.

The College also provides music services for the benefit of approximately 3,000 pupils in primary schools at Key Stage 2.

**Staff numbers**

Details of staff numbers are set out in Note 6 to the accounts.

**Student achievements**

Full time students continue to prosper at the college and all diploma and degree students who completed the course did so achieved a nationally recognised qualification. All Foundation course students successfully reach the standard required for entry to full time training and education programmes. The number of music pupils participating in public performance continues to increase year on year.

**Employee and student involvement**

The College believes good communication with staff and students to be very important. Students are encouraged to participate in the election of student representatives. Four students from each year act and contribute to the development of College policy and course structure, content and delivery. The College encourages staff and students' involvement by asking representatives to attend the meetings of the Board of Directors.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2016**

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**Equal opportunities and employment of disabled persons**

The College believes that it is in its own best interest, and of those who work in it, to ensure that the human resources, talents and skills available throughout the community are considered when employment opportunities arise. To this end, within the framework of the law, we are committed, wherever practical, to achieving and maintaining a workforce which broadly reflects the community in which we operate. Every possible step will be taken to ensure that individuals are treated equally and fairly and that decisions on recruitment, selection, training, promotion and career management are based solely on objectives and job related criteria.

The College recognises the need to counteract ideas and instances of individual and institutional discrimination on the grounds of race or ethnic origin, marital status, gender, sexual orientation, religion, age, or disability. We seek to provide a learning environment which dispels ignorance and prejudice, promoting Equal Opportunities by:

- a) adopting the use of inclusive language;
- b) examining teaching materials within Departments;
- c) challenging inappropriate remarks to or about an individual group;
- d) valuing the role of all members of the college and encouraging them to participate and lead in all college activities;
- e) considering the practicality, where necessary, of adapting premises and equipment and providing special aids for the disabled;
- f) stressing the need for all members of the college to listen to each other as part of a sound work ethic;
- g) promoting positive views of all members of the wider community.

All students are selected without regard to race, ethnic origin, religion, gender or sexual orientation. Age or disability are disregarded providing they can successfully complete a physically demanding specialised dance training course of three year's duration, followed by reasonable expectations of a professional performance career in dance, musical theatre and acting. In cases where this is not thought to be possible the College will seek to guide the applicant towards an appropriate alternative. All members of the College are required to observe and comply with this policy. Any instances of harassment will be dealt with seriously. It will be investigated under the College's disciplinary or grievance procedures.

The management team are developing a policy which will define explicit and measurable objectives and priorities for recruiting, retaining and accommodating people with disabilities. This will include an effective programme and the clear statement that conduct which breaches the policy will not be tolerated.

**RESOURCES**

The College has various resources that it can deploy in pursuit of its strategic objectives.

**Stakeholder relationships**

In line with other colleges, the College has many stakeholders. These include:-

- Students
- Funding bodies
- Staff
- Validating universities
- Local authorities
- Government Departments providing funding
- Other local and national educational establishments
- Finance providers including the College's bankers

The College recognises the importance of these relationships and engages in regular communication with them through the College's web site and meetings.

## DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2016

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#### **Premises and assets**

The College has moved into a new site, owned by its parent company and there are further plans to develop this into a one site facility for all the College's activities. It also operates from premises rented from the Local Authority under a short term lease and makes use of other facilities provided by local amenities on an ad hoc basis.

#### **Reputation**

The College has a good reputation locally and nationally. Maintaining a quality image and brand is essential for the College's success at attracting students and with external relationships.

#### **DIRECTORS**

The directors who served during the year are set out in the table below but further information regarding these is given in the statement of corporate governance

G. F. Pine  
S. A. Coen - principal and accounting officer  
S. J. Atkins (appointed 30 October 2015)  
A. D. Bowne (resigned 27 June 2016)  
G. A. Chin (resigned 30 March 2016)  
L. de Abreu - deputy principal  
M. Elliot (resigned 20 July 2016)  
D. G. Hayes  
J. K. A. Hunt  
M. H. Skinner  
K. Turner  
J. P. Emery (appointed 27 June 2016)  
C. K. Biggins (resigned 1 October 2015)

#### **COMPANY'S POLICY FOR THE PAYMENT OF CREDITORS**

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent of payments made and during the accounting period 1 August 2015 to 31 July 2016, The College achieved this target and incurred no interest charges in respect of late payment for this period.

#### **POST BALANCE SHEET EVENTS AND FUTURE PROSPECTS**

There have been no significant events affecting the Company since the year end.

With regard to the improved capacity provided by the new site, the College seeks to significantly increase student numbers over the next year. The one site facility will allow the College to stage assessed performances and other performance events at the Theatre space which has been developed in the new site. The impact of these should allow the College to work more efficiently and see a possible reduction in some overheads.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2016**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

The College has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation. The Board of Directors undertakes a comprehensive review of the risks to which the College is exposed. Some of this review is undertaken by sub-committees of the Board, including the Financial and General Purposes Committee and the Health and Safety Committee.

The Board of Directors identifies systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Board of Directors will also consider any risks which may arise as a result of a new area of work being undertaken by the College. This is supported by a risk management training programme to raise awareness of risk throughout the College.

The major risks to which the College are exposed to are as follows.

**Government and local authority funding**

The College has considerable reliance on continued government funding through the further and higher education sector funding bodies. In 2015/16, 57% of the College's revenue was ultimately publicly funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The College is aware of several issues which may impact on future funding:

- the funding may cease either through the actions of a change in Government Policy, the performance of the students of the College or a change in criteria of the funding bodies which may mean the College no longer qualifies for funding;
- the levels of funding may be reduced.

The risk is mitigated in a number of ways:-

- funding is derived through a number of direct and indirect contractual arrangements;
- by ensuring the College is rigorous in delivering high quality education and training;
- considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies;
- ensuring the College is focused on those priority sectors which will continue to benefit from public funding.
- regular dialogue with funding bodies.

**Tuition fee policy**

Ministers have confirmed that the fee assumption remains at 50%. In line with the majority of other colleges, The College will seek to increase tuition fees in accordance with the fee assumptions. The risk for the College is that demand falls off as fees increase and this reduces the income stream of from these sources. This will impact on the growth strategy of The College.

The risk is mitigated in a number of ways:-

- ensuring The College is rigorous in delivering high quality education and training, thus ensuring value for money for students;
- close monitoring of the demand for courses as prices change;
- increasing the number of full fee paying students such as overseas students.

**DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2016**

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**Legislation and health and safety**

In line with other Colleges and businesses, the College is exposed to the risk of action by existing staff, students or members of the public from the failure to operate the business in accordance with current legislation including that covering health and safety matters.

The risk is mitigated in a number of ways:-

- setting up a health and safety sub-committee to look at all aspects of health and safety;
- engaging a specialised health and safety company to carry out formal risk assessments on the assets of the College;
- engaging a specialised human resources company to ensure that all staff matters are in accordance with the relevant legislation;
- ensuring that all staff receive adequate training in health and safety matters.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**AUDITORS**

Under section 487(2) of the Companies Act 2006, Venthams will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

**SMALL COMPANIES NOTE**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

.....  
G. F. Pine  
Director and Chair

Date: 28 March 2017

**DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**

**STATEMENT OF RESPONSIBILITIES OF THE DIRECTORS  
FOR THE YEAR ENDED 31 JULY 2016**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law and the terms and conditions of a Financial Memorandum agreed between the College and the Education Funding Agency (or its predecessors) the directors have to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. They are also required to prepare the accounts in accordance with the 2015 Statement of Recommended Practice - Accounting for Further and Higher Education and with the College Accounts Direction for 2015 to 2016 financial statements issued jointly by the Skills Funding Agency and the Education Funding Agency. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Company is also required to prepare an Operating and Financial Review (Directors' Report) which describes what it is trying to do and how it is going about it, including the legal and administrative status of the Company

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The College is required to publish its annual report and financial statements on its website. The maintenance and integrity of the College website is the responsibility of the Board of Directors as delegated to the Principal and other staff; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition they are responsible for ensuring that the funds from The Education Funding Agency are only used in accordance the financial Memorandum with that body and any other conditions that may be prescribed from time to time. The Directors must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure that these funds are used properly. In addition the Directors are responsible for securing the economical, efficient and effective management of the Company's resources and expenditure, so that the benefits that should be derived from the application of public funds are not put at risk

Approved by order of the members of the Board and signed on its behalf by

.....  
G. F. Pine  
Director and Chair

28 March 2017

## DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

### STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2016

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The College is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the College has applied this practice. Its purpose is to help the reader of the financial statements understand how the principles have been applied.

#### **The Board of Directors**

The composition of the Board of Directors (who oversees the activities of the College as governors) who served during the year is set out in the Director's Report and comprises two Executive and various Non-Executive Directors. Mr C J Harper, a practicing solicitor, acts as secretary to the Company.

The Executive Directors are responsible for the running of the College and their responsibilities include the setting of the revenue and capital budgets, making recommendations for the remuneration of staff to the Non-Executive Directors and approving bursaries and assistance for students from the College's own funds.

The Board of Directors are charged with the responsibility to bring judgment to bear on issues of strategy, performance, resources and standards of conduct. They are also responsible for the general management of the College, ensuring that the finances are in order and approving the remuneration of the staff and Executive Directors.

The Board of Directors meets at least three times a year. Elected staff and student representatives are invited to attend the Board Meetings. Formal agenda, papers and reports are supplied to the Directors prior to the Board meetings.

The Board has a strong and independent non-executive element and no individual group dominates its decision process. The Board considers that each of its non-executive directors is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgment.

There is a clear division of responsibility in that the role of the Chair and Principal are separate.

All directors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Secretary to the Company who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Secretary are matters for the Directors as a whole.

#### **Sub Committees**

The Board of Directors have set up Finance and General Purposes subcommittee. This committee has terms of reference which have been approved by the Board. One of the responsibilities of this committee is to make recommendations to the full board on the remuneration and benefits of the principal and other senior post-holders. Details of remuneration for the year are set out in the notes to the financial statements.

The College conducts its business through a number of committees. Each Committee has terms of reference which are approved by the Directors. Full minutes of all committee meetings are maintained and provided to the directors.

#### **The Doreen Bird Foundation**

The Trustees of The Doreen Bird Foundation, which owns all the share capital in the Company meets three times a year and reports to the Board of Directors. Members are appointed to the Board following the requirements of the Companies Acts and serve an unspecified term.

**DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2016**

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**INTERNAL CONTROL**

**Scope of responsibility**

The Board of Directors is ultimately responsible for the Company's system of internal control and reviewing its effectiveness. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable, not absolute assurance against material misstatement or loss.

The Board of Directors has delegated the day to day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal financial control that supports the achievement of the Colleges policies, aims and objective, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between the College and the Education Funding Agency (and other Funding Bodies). The Principal is also responsible for reporting to the Board of Directors any material weakness or breakdowns in internal control.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of college policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively and economically. The system of internal control has been in place in the College for the year concerned and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Directors has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that have been in place for the year and up to the date of approval of the annual report and financial statements.

**The risk and control framework**

The system of internal financial control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- a) Comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Board of Directors
- b) Regular reviews by the Board of Directors of periodic and annual financial reports which indicated financial performance against forecasts
- c) Setting targets to measure financial and other performance
- d) Clearly defined capital investment control guidelines
- e) The adoption of formal project management disciplines where appropriate.

The Board of Directors and the senior management team of the College receive reports setting out key performance and risk indicators and consider possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training.

**DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2016**

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**Review of effectiveness of system of internal control**

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. This review is informed by the work of the executive managers within the college who have responsibility for the development and maintenance of the internal control framework, and comments made by the College's financial statement auditors and the Funding Bodies and their appointed auditors in their management letters and other reports.

Based on the advice of the Accounting Officer, the Corporation is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets".

**Going concern**

After making appropriate enquiries, the Directors consider that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

**Approval**

Approved by order of the Board and signed on its behalf by:

.....  
S. A. Coen  
Director and Principal

Date: 28 March 2017

.....  
G .F. Pine  
Director and Chair

Date: 28 March 2017

**DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**

**STATEMENT ON THE COLLEGE'S REGULARITY, PROPRIETY AND COMPLIANCE WITH FUNDING BODY TERMS AND  
CONDITIONS OF FUNDING  
FOR THE YEAR ENDED 31 JULY 2016**

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The Company has considered its responsibility to notify the Education Funding Agency of any material irregularity, impropriety and non-compliance with Education Funding Agency terms and conditions of funding, under the funding agreement in place between the College and the Education Funding Agency. As part of our consideration we have had due regard to the requirements of the funding agreement.

We confirm, on behalf of the Company, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the College, or material non-compliance with the Education Funding Agency's terms and conditions of funding under the College's funding agreement.

We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Education Funding Agency.

.....  
S. A. Coen  
Director and Principal

Date: 14 March 2017

.....  
G. F. Pine  
Director and Chair

Date: 28 March 2017

## **DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**

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We have audited the financial statements of Doreen Bird College of Performing Arts Limited for the year ended 31 July 2016, set out on pages 16 to 36. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's shareholder in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Directors' Responsibilities Statement on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2016 and of its profit or loss 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.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED  
(CONTINUED)

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

Mark Taylor (Senior Statutory Auditor)  
for and on behalf of

**Venthams**  
Chartered Accountants  
Statutory Auditor  
51 Lincoln's Inn Fields  
London  
WC2A 3NA

29 March 2017

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2016

	Note	2016 £	2015 £
Funding body grants	4	2,717,336	2,120,436
Tuition fees and education contracts	5	1,816,470	1,706,451
Other operating income	6	228,410	218,699
Bank deposit interest receivable		411	81
<b>Total Income</b>		<b>4,762,627</b>	<b>4,045,667</b>
Staff costs	7	(3,251,511)	(2,974,534)
Other operating expenses	9	(1,234,066)	(931,886)
Depreciation and amortisation	12	(174,779)	(67,466)
Exceptional other operating expenses	11	(75,045)	-
<b>Operating profit</b>		<b>27,226</b>	<b>71,781</b>
<b>Profit for the year</b>		<b>27,226</b>	<b>71,781</b>
<b>Other comprehensive income for the year</b>			
Unrealised surplus on revaluation of tangible fixed assets		378,828	-
		<b>378,828</b>	-
<b>Total comprehensive income for the year</b>		<b>406,054</b>	<b>71,781</b>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

The notes on pages 19 to 36 form part of these financial statements.

**DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**  
**REGISTERED NUMBER:03088287**

**BALANCE SHEET**  
**AS AT 31 JULY 2016**

	Note	2016 £	2016 £	2015 £	2015 £
<b>Fixed assets</b>					
Tangible assets	12		<b>933,568</b>		<i>166,864</i>
<b>Current assets</b>					
Debtors: amounts falling due within one year	13	<b>120,846</b>		<i>441,923</i>	
Cash at bank and in hand	14	<b>1,136,432</b>		<i>90,445</i>	
		<b>1,257,278</b>		<i>532,368</i>	
Creditors: amounts falling due within one year	15	<b>(1,528,829)</b>		<i>(443,269)</i>	
<b>Net current (liabilities)/assets</b>			<b>(271,551)</b>		<i>89,099</i>
<b>Net assets</b>			<b>662,017</b>		<i>255,963</i>
<b>Capital and reserves</b>					
Called up share capital	16		<b>1,000</b>		<i>1,000</i>
Revaluation reserve	17		<b>307,988</b>		<i>-</i>
Profit and loss account	17		<b>353,029</b>		<i>254,963</i>
			<b>662,017</b>		<i>255,963</i>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....  
G. F. Pine  
Director and Chair

.....  
S. A. Coen  
Director, Principal and Accounting Officer

Date: 28 March 2017

Date: 28 March 2017

The notes on pages 19 to 36 form part of these financial statements.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2016

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 August 2014	1,000	-	183,182	184,182
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	71,781	71,781
At 1 August 2015	1,000	-	254,963	255,963
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	27,226	27,226
Surplus on revaluation of other fixed assets	-	378,828	-	378,828
Transfer to/from profit and loss account	-	(70,840)	70,840	-
<b>At 31 July 2016</b>	<b>1,000</b>	<b>307,988</b>	<b>353,029</b>	<b>662,017</b>

The notes on pages 19 to 36 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016

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**1. Statement of accounting policies and estimation techniques**

**1.1 Basis of preparation and accounting**

The financial statements have been prepared under the historical cost convention as modified for the revaluation of certain fixed assets. They have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") and the Companies Act 2006. The financial statements have also been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2015 ("2015 FE HE SORP") and the associated "College Accounts Direction for 2015 to 2016".

FRS 102 has to be applied for all accounting periods beginning on or after 01 January 2015 and so the College is preparing its financial statements in accordance with FRS 102 for the first time and consequently has applied the first time adoption requirements. Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the College has amended certain accounting policies to comply with FRS 102 and the 2015 FE HE SORP.

Information on the impact of first-time adoption of FRS 102 is given in note 25.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

**1.2 Going concern**

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Members Report. The financial position of the College, its cashflow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

The College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

**1.3 Income recognition**

Recurrent grants from Funding Councils and other bodies are recognised in line with the latest estimates of the grant receivable for an academic year. Non-recurrent grants from Funding Councils or other bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets. Non-recurrent grants from Funding Councils or other bodies received in respect of revenue expenditure are recognised in the same period that the expenditure is incurred. Grants received before the expenditure has been incurred are shown in creditors.

Tuition Fees and Education Contracts represent amounts receivable from students, parents, Local Education Authorities and Sponsors in respect of tuition fees for the year under consideration.

The cost of providing bursaries and funding from the Company's own funds is excluded from tuition fees. Bursaries met by other parties are included as Tuition Fees

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016

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1. Statement of accounting policies and estimation techniques (continued)

1.4 Expenditure

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

1.5 Tangible fixed assets

Equipment costing less than £100 per individual item is written off to the Profit and Loss Account in the year of acquisition. All other equipment is capitalised at cost.

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Where equipment is acquired with the aid of specific grants the asset is capitalised and depreciated in accordance with the above policy, with the relevant grant being credited to a deferred capital grant account and released to the profit and loss account over the expected useful economic life of the related equipment.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line and reducing balance methods.

Depreciation is provided on the following basis:

L/Term Leasehold Property	-	
Improvements to leasehold premises	-	Over the remaining life of the lease of the premises
Costumes, props and instruments	-	20% Straight line method
Motor vehicles	-	20% Reducing balance method
Fixtures, fittings and equipment	-	20% Reducing balance method
Computer & IT Equipment	-	20% Reducing balance method

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016

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**1. Statement of accounting policies and estimation techniques (continued)**

**1.6 Revaluation of tangible fixed assets**

Certain classes of fixed assets were revalued at 31 July 2015 at estimated market value.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

**1.7 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**1.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**1.9 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**1.10 Creditors**

Short term creditors are measured at the transaction price.

**1.11 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

**1.12 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**1.13 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016

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**1. Statement of accounting policies and estimation techniques (continued)**

**1.14 Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

**1.15 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**2. General information**

The Company was incorporated in England as Doreen Bird College of Performing Arts Limited on the 7 August 1995 under the provisions of the Companies Act 1985. The Company trades as a college of education in the performing arts using the name of Bird College and is referred to in these reports as both The Company and The College.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements, management have made the following judgments:

**Tangible fixed assets**

Certain classes of tangible fixed assets have been revalued during the year at estimated market value as assessed by the directors in consultation with members of staff and external suppliers.

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

The directors have considered whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

**DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016**

**4. Funding body grants**

	<b>2016</b>	<i>2015</i>
	<b>£</b>	<i>£</i>
Education Funding Agency - Dance and Drama Awards	<b>710,117</b>	<i>757,501</i>
Greenwich University for BA and Foundation Degree	<b>1,947,200</b>	<i>1,362,935</i>
Greenwich University for prior years	<b>60,019</b>	<i>-</i>
	<b><u>2,717,336</u></b>	<i><u>2,120,436</u></i>

**5. Tuition fees and education contracts**

	<b>2016</b>	<i>2015</i>
	<b>£</b>	<i>£</i>
Tuition fees charged	<b>333,653</b>	<i>233,979</i>
Contributions from Government hardship funds	<b>-</b>	<i>16,575</i>
Pre-professional course fees	<b>363,160</b>	<i>383,500</i>
Private lessons and examinations	<b>88,076</b>	<i>67,196</i>
Summer and Easter short courses	<b>52,228</b>	<i>42,105</i>
Arts Council - Music Hub	<b>400,964</b>	<i>336,984</i>
Arts Council - Artsmark Award	<b>9,917</b>	<i>-</i>
Music Services - School income	<b>223,004</b>	<i>191,413</i>
Bexley Council - Music services	<b>1,177</b>	<i>116,967</i>
Music department income	<b>316,857</b>	<i>317,731</i>
PPA Income	<b>27,434</b>	<i>-</i>
	<b><u>1,816,470</u></b>	<i><u>1,706,450</u></i>

**DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016**

**6. Other operating income**

	2016	2015
	£	£
Agency commission receivable	15,826	8,128
Audition fees	51,513	53,654
Income from productions and shows	101,894	71,887
Student tours	35,456	41,354
Vending machines and catering	4,060	9,473
Musical instrument hiring	13,809	20,485
Miscellaneous income	5,852	13,718
	<b>228,410</b>	<b>218,699</b>
	<b>228,410</b>	<b>218,699</b>

**7. Employees and staff costs**

Staff costs were as follows:

	2016	2015
	£	£
Wages, salaries and benefits in kind	2,890,041	2,643,152
Social security costs	253,716	226,517
Cost of defined contribution scheme	103,532	101,232
	<b>3,247,289</b>	<b>2,970,901</b>
	<b>3,247,289</b>	<b>2,970,901</b>

The average monthly number of employees, (expressed as full time equivalents) including the directors, during the year was as follows:

	2016	2015
	No.	No.
Directors	3	2
Other key management personnel	2	3
Teaching staff	52	61
Non teaching staff	23	22
	<b>80</b>	<b>88</b>
	<b>80</b>	<b>88</b>

**DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016**

**8. Directors' and key management personnel remuneration**

	<b>2016</b>	<i>2015</i>
	<b>£</b>	<i>£</i>
Key management personnel are defined as members of the College Leadership Team and were represented by the 3 directors (comprising the principal, vice principal and 1 assistant principal) and 2 other assistant principals.		
Directors' emoluments	<b>244,259</b>	<i>199,415</i>
Directors' pension costs	<b>12,003</b>	<i>13,007</i>
Directors' national insurance	<b>32,005</b>	<i>22,688</i>
Directors private health insurance	<b>4,222</b>	<i>3,633</i>
	<b>292,489</b>	<i>238,743</i>
<b>Other key management remuneration</b>		
Key management salaries	<b>110,415</b>	<i>140,986</i>
Key management pension contributions	<b>12,169</b>	<i>7,936</i>
Key management national insurance	<b>13,321</b>	<i>18,753</i>
	<b>428,394</b>	<i>406,418</i>
	<b>428,394</b>	<i>406,418</i>

During the year retirement benefits were accruing to 3 directors (*2015 - 2*) in respect of defined contribution pension schemes.

The above remuneration includes the following amounts paid to the Principal (the Accounting Officer) who was the highest paid director of £103,715 (*2015 - £102,971*).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,594 (*2015 - £6,943*).

The members of the Board of Directors (other than the three directors whose remuneration is disclosed above) did not receive any payment from The College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

The number of directors, key management personnel and other staff who received annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges was:

	<b>2016</b>	<i>2015</i>
£40,001 to £50,000	-	<i>1</i>
£50,001 to £60,000	<b>3</b>	<i>2</i>
£80,001 to £90,000	<b>1</b>	<i>1</i>
£100,001 to £110,000	<b>1</b>	<i>1</i>

## DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016**9. Other operating expenses**

	2016	2015
	£	£
<b>Teaching costs</b>		
Printing and stationery	14,381	16,873
Theatre production expenses and overseas tours	285,819	224,107
	<u>300,200</u>	<u>240,980</u>
<b>Teaching support services costs</b>		
Resources costs	7,228	4,507
Audition expenses	4,210	4,987
Teaching equipment repairs	14,230	9,830
External validation fees	22,632	27,674
Teaching aids	3,904	-
Exam costs	29,898	25,583
Staff development	20,691	22,342
	<u>102,793</u>	<u>94,923</u>
<b>Administration and central services costs</b>		
Insurances	31,885	25,576
Printing postage and stationery	14,435	16,873
Telephone and internet	23,593	23,737
Bad and doubtful debts	3,687	10,379
Motor running	4,374	2,424
Hotels and travel	5,194	7,133
Equipment leasing under operating leases	29,559	19,096
Bank charges	10,656	11,128
Auditors' remuneration	6,000	6,000
Accountancy	13,140	12,793
Payroll services	6,030	6,390
Computer costs	44,255	20,136
Canteen and catering	16,518	26,480
HR and and health and safety consultants	11,748	20,574
Staff recruitment costs	13,782	3,960
Legal and professional	22,765	3,681
Sundry expenses	7,086	3,231
	<u>264,707</u>	<u>219,591</u>

**DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016**

<b>9.</b>	<b>Other operating expenses (continued)</b>		
	<b>General education costs</b>		
	Marketing costs	<b>76,000</b>	73,536
	Trade subscriptions	<b>28,231</b>	19,779
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
		<b>104,231</b>	93,315
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	<b>Premises costs</b>		
	Rent payable	<b>275,700</b>	150,471
	Rates and water	<b>19,865</b>	14,871
	Light and heat	<b>74,445</b>	71,361
	Repairs to premises	<b>38,766</b>	21,013
	Cleaning, laundry and hygiene	<b>25,600</b>	16,864
	Alarms and vending maintenance	<b>11,744</b>	8,497
	Removal costs	<b>16,015</b>	-
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
		<b>462,135</b>	283,077
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	<b>Total other operating expenses</b>	<b>1,234,066</b>	931,886
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016

10. Taxation

	2016 £	2015 £
<b>Total current tax</b>	-	-

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (*2015 - lower than*) the standard rate of corporation tax in the UK of 20% (*2015 - 20%*). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<b>27,226</b>	71,782
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	<b>5,445</b>	14,356
<b>Effects of:</b>		
Other timing differences leading to an increase (decrease) in taxation	<b>(5,445)</b>	(14,356)
<b>Total tax charge for the year</b>	-	-

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

11. Exceptional items

	2016 £	2015 £
Gift Aid payment to the holding company charity	<b>75,045</b>	-
	<b>75,045</b>	-

## DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016**12. Tangible fixed assets**

	Short Term leasehold property improvements £	Costumes, props and instruments £	Motor vehicles £	Plant, fixtures & equipment £	Total £
<b>Cost or valuation</b>					
At 1 August 2015	58,011	90,239	-	574,085	722,335
Additions	356,722	17,429	23,237	166,518	563,906
Disposals	(55,474)	-	-	-	(55,474)
Revaluations	-	382,027	-	(505,754)	(123,727)
At 31 July 2016	359,259	489,695	23,237	234,849	1,107,040
<b>Depreciation</b>					
At 1 August 2015	52,917	55,961	-	446,593	555,471
Charge for the period on owned assets	28,563	97,939	-	46,970	173,472
Disposals	(52,917)	-	-	-	(52,917)
On revalued assets	-	(55,961)	-	(446,593)	(502,554)
At 31 July 2016	28,563	97,939	-	46,970	173,472
<b>Net book value</b>					
At 31 July 2016	330,696	391,756	23,237	187,879	933,568
At 31 July 2015	5,095	34,277	-	127,492	166,864

Following the reorganisation of the College into one site, a detailed review of Fixed Assets has been carried out and a policy has been adopted of revaluing those assets which existed at the transfer to the new site at their market value at the date of the transfer. The revaluation has been carried out by the staff of the College in consultation with external contractors and the revaluation amount has been approved by the Board of Directors.

Additions subsequent to the transfer to the new site, and the costs involved with the creation of Fixed Assets within the new site are shown at cost.

It was not practical or possible to identify the original costs of the assets which were transferred to the new site, or to identify the specific assets which were scrapped or which no longer exist. Any exercise to attempt to identify these assets would involve undue cost and effort. Accordingly no details are disclosed concerning the amounts which would have been included under the historical cost convention.

**DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016**

**13. Debtors**

	2016 £	2015 £
Trade debtors	40,109	36,958
Amounts owed by group undertakings (see note 22)	-	362,501
Other debtors	25,199	11,948
Prepayments and accrued income	55,538	30,516
	120,846	441,923
	120,846	441,923

**14. Cash and cash equivalents**

	2016 £	2015 £
Cash at bank and in hand	1,136,432	90,445
Less: bank overdrafts	(301)	-
	1,136,131	90,445
	1,136,131	90,445

**15. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Bank overdrafts	301	-
Trade creditors	443,201	100,779
Amounts owed to group undertakings (see note 22)	716,134	-
Other taxation and social security	87,563	85,743
Other creditors	35,154	23,545
Accruals and deferred income	246,476	233,202
	1,528,829	443,269
	1,528,829	443,269

**16. Share capital**

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
	1,000	1,000

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016

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**17. Reserves**

**Revaluation reserve**

The revaluation reserve represents the net surplus arising on the revaluation of plant, equipment, costumes, musical instruments and other similar assets mentioned in note 11. The amount shown represents the difference between the net book value of the respective assets at the valuation date and the amount of the valuation.

An amount equivalent to the excess depreciation of the relevant assets (calculated as the difference between the depreciation calculated on the revalued amount and the depreciation charged on original cost) is released from the reserve is released back to the profit and loss account over the period that the asset is depreciated for.

**18. Contingent liabilities**

The College is not currently registered for VAT as the directors are of the opinion that the taxable turnover of the College is below that which requires VAT registration. The majority of its turnover arises from the supplies of education to its students or from supplies closely linked to the supply of education both of which are exempt income for VAT purposes.

In coming to this conclusion, the directors have relied on a decision of the UK tax tribunals in an unconnected case concerning the VAT liability of certain supplies which are closely related to education. This case has been referred to the European Courts by the British Courts and since the year end an opinion has been issued by the European Courts Advocate which does not support the assertion that this type of supply is exempt from VAT.

The Advocate's opinion is influential, but not binding, on the European Court and the final judgment is awaited at the date of the approval of these financial statements. If the opinion is confirmed, the College may be required to retrospectively register for VAT and account for tax on supplies of non-exempt income from the date that it should have been registered for VAT.

It is not possible to quantify the possible liability which may arise and as the final judgment has not been issued, no amount has been provided for in these accounts for any potential liability.

**19. Capital commitments**

In November 2015 the College moved into a new site in which it is anticipated that all the teaching activities of the College will be located. The new building is owned by the parent company, The Doreen Bird Foundation, who has purchased the building and has carried out extensive refurbishment of the building in order that it is suitable for occupation by the College.

In addition to the costs being incurred by the Foundation, the Company has incurred capital expenditure on assets and facilities in the new building which are specific to the trade of the College and scrapped other fixed assets as appropriate.

At the balance sheet date, the company was committed to a 2nd phase of development of the site for a contract sum of £433,479, of which £38,225 had been incurred by 31 July 2016.

**DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016**

**20. Commitments under operating leases**

At 31 July 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2016</b>	<i>2015</i>
	<b>£</b>	<i>£</i>
<b>In respect of land and buildings</b>		
Expiring in one year or less	<b>250,000</b>	-
	<u><b>250,000</b></u>	<u>-</u>
	<u><u><b>250,000</b></u></u>	<u><u>-</u></u>
 <b>In respect of other leases</b>		
Not later than 1 year	<b>19,256</b>	<i>18,194</i>
	<u><b>19,256</b></u>	<u><i>18,194</i></u>
	<u><u><b>19,256</b></u></u>	<u><u><i>18,194</i></u></u>

**21. Transactions with directors**

The company made interest free loans to the following directors in respect of medical insurance premiums paid for the directors' partners which are repayable by 12 monthly installments from the date of payment of the premium by the company. No interest is charged on the outstanding amounts. The balances outstanding at the year end were as follows:

	<b>2016</b>	<i>2015</i>
	<b>£</b>	<i>£</i>
S. A. Coen	<b>655</b>	<i>548</i>
L. De Abreu	<b>792</b>	<i>663</i>

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016

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**22. Related party transactions**

Owing to the nature of the College's operations and the composition of the board of directors being drawn in part from local private and public sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of directors may have an interest. All transactions with such organisations are conducted at arm's length and in accordance with the College's financial regulations and procurement procedures.

**Transactions and balances with The Doreen Bird Foundation**

During the year rent of **£173,973** (2015: £Nil) was paid to The Doreen Bird Foundation, the parent company, in respect of properties owned by The Doreen Bird Foundation which are occupied by The College for the purpose of its trade.

The Doreen Bird Foundation has agreed to provide support to The College by way of financing certain students' tuition fees by way of funding bursaries for those students. The bursaries awarded for the year amounted to **£2,020** (2015 £2,680).

The Doreen Bird Foundation has awarded prizes to the best performing students of The College for the year. These prizes are paid by the Foundation directly to the students concerned. The prizes awarded for the year amounted to **£2,000** (2015 £3,000).

The College made a Gift Aid payment in the year of **£75,045** (2015 £Nil) to The Doreen Bird Foundation in respect of the profits of the College for the previous year (see Note 12).

The Company owes The Doreen Bird Foundation **£716,134** (2015 £362,501 owed to the College) in respect of the inter-company current account and this amount is included in creditors due within one year (2015 included in debtors). The amount The College now owes The Foundation has arisen because of the receipt by The College of funds belonging to The Foundation from the sale of properties owned by The Foundation, the receipt of bank loans taken out in the name of The Foundation and the receipt of funding from the University towards the capital project undertaken by The Foundation.

The Company has given an undertaking of **£2 million** (2015 £2 million) to guarantee borrowings taken out by The Doreen Bird Foundation.

**23. Post balance sheet events**

There were no post balance sheet events which affect the figures disclosed in the accounts or which require disclosure.

**24. Controlling party**

The ultimate controlling party and parent company in both the current and preceding financial year is The Doreen Bird Foundation (incorporated in England and Wales) by virtue of its 100% shareholding.

## DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

## 25. First time adoption of FRS 102

The College transitioned to FRS 102 from previously extant UK GAAP as at 1 August 2014. The impact of the transition to FRS 102 is as follows:

	<i>As previously stated 1 August 2014</i>	<i>Effect of transition 1 August 2014</i>	<b>FRS 102 (as restated) 1 August 2014</b>	<i>As previously stated 31 July 2015</i>	<i>Effect of transition 31 July 2015</i>	<b>FRS 102 (as restated) 31 July 2015</b>
<b>Note</b>	£	£	£	£	£	£
Fixed assets	190,172	-	<b>190,172</b>	166,863	-	<b>166,863</b>
Current assets	557,325	-	<b>557,325</b>	532,368	-	<b>532,368</b>
Creditors: amounts falling due within one year	(521,798)	(41,517)	<b>(563,315)</b>	(409,165)	(34,103)	<b>(443,268)</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net current (liabilities)/assets</b>	35,527	(41,517)	<b>(5,990)</b>	123,203	(34,103)	<b>89,100</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total assets less current liabilities</b>	225,699	(41,517)	<b>184,182</b>	290,066	(34,103)	<b>255,963</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net assets</b>	225,699	(41,517)	<b>184,182</b>	290,066	(34,103)	<b>255,963</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Capital and reserves	225,699	(41,517)	<b>184,182</b>	290,066	(34,103)	<b>255,963</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

## 25. First time adoption of FRS 102 (continued)

	<i>As previously stated 31 July 2015</i>	<i>Effect of transition 31 July 2015</i>	<b>FRS 102 (as restated) 31 July 2015</b>
Note	£	£	£
Turnover	4,045,667	-	4,045,667
Staff costs	4,045,667 (2,981,948)	- 7,414	4,045,667 (2,974,534)
Other operating expenses	(931,886)	-	(931,886)
Depreciation and amortisation	(67,466)	-	(67,466)
<b>Operating profit</b>	<b>64,367</b>	<b>7,414</b>	<b>71,781</b>
<b>Profit on ordinary activities after taxation and for the financial year</b>	<b>64,367</b>	<b>7,414</b>	<b>71,781</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016

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**25. First time adoption of FRS 102 (continued)**

Explanation of changes to previously reported profit and equity:

No provision for short term employment benefits such as holiday pay was made under the previous UK GAAP. Under FRS 102 the costs of short-term employee benefits are recognised as a liability and an expense. The annual leave year runs to 31st August each year for non-teaching staff meaning that, at the reporting date, there was unused leave for non-teaching staff. In addition, certain non-teaching employees are entitled to carry forward up to 5 days of any unused holiday entitlement at the end of the leave year. The cost of any unused entitlement is recognised in the period in which the employee's services are received. Provisions (included as accruals) of £41,518 and £34,103 need to be recognised at 1 August 2014 and 31 July 2015 respectively. The movement on these provisions of £7,414 is recognised as an increase in the Comprehensive Income in the comparative figures for the prior year.