

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

COMPANY INFORMATION

Directors	G. F. Pine S. Coen - principal and accounting officer S. J. Atkins L. de Abreu - deputy principal D. G. Hayes J. K. A. Hunt M. H. Skinner K. Turner J. P. Emery
COMPANY SECRETARY	S.C.R. Secretaries Ltd
REGISTERED NUMBER	03088287
REGISTERED OFFICE	1 Bedford Row London WCR1 4BZ
TRADING ADDRESS	Alma Road Sidcup Kent DA14 4ED
INDEPENDENT AUDITORS	Venthams Chartered Accountants & Statutory Auditors 51 Lincoln's Inn Fields London WC2A 3NA
SOLICITORS	Greenwoods GRM LLP 1 Bedford Row London WC1R 4BZ
KEY MANAGEMENT PERSONNEL	Key management personnel are defined as members of the College Leadership Team and were represented by the following persons in 2017/18: S. Coen - principal and accounting officer L. de Abreu - deputy principal L. Figuerola - assistant principal J. Stanning - assistant principal S. Smith - 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 2018

The directors present their report and the financial statements for the year ended 31 July 2018.

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 2018**

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.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018

FINANCIAL POSITION

Results for the period:

The College generated an operating profit in the year of £7,829 (2017 £65,293). 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 £nil (2017 £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 £7,829 (2017 £65,293).

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 £nil (2016 £378,828) being recognised in the accounts.

The College had accumulated reserves at 31 July 2018 of £735,139 (2017 £727,310) and cash balances of £1,043,967 (2017 £588,897). 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. All students can access a loan to cover these 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 drawn down this loan in full since February 2016 and used 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.

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.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018**

STAFF AND STUDENTS

Student numbers

During 2017/18 the College had 535 students who were funded in a range of ways. 63 of these students were self funded, 112 were funded from the Dance and Drama Award and 360 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 7 to the accounts.

Student achievements

Full time students continue to prosper at the college and all diploma and degree students who completed the course 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.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

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 practically, 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 2018**

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
L. de Abreu - deputy principal
D. G. Hayes
J. K. A. Hunt
M. H. Skinner
K. Turner
J. P. Emery
N. Patel (resigned 23 October 2017)

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

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 2017/18, 60% 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 2018**

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.

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.

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.

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 has significantly increased student numbers over the last two years; numbers will continue to grow but more slowly. The one site facility allows 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 allows the College to work more efficiently with a reduction in some overheads.

AUDITORS

The auditors, Venthams, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018

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.

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S. Coen
Director

Date: 20 February 2019

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

**STATEMENT OF RESPONSIBILITIES OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2018**

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 2016 to 2017 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:

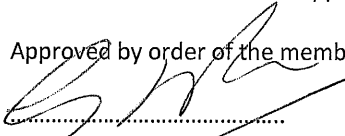
- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed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

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 to enable them to ensure that the 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 directors are


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G.F. Pine

Director and Chair

Date: 20 February 2019

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2018

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. The company secretary is S.C.R. Secretaries Limited, a corporate secretarial company administered by the Company's legal advisers.

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 Company's legal advisers and its secretarial company which 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 receives reports from the Board of Directors and relevant sub committees; Individuals are appointed as Trustees / Directors of the Foundation 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 2018**

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 Principal works closely with the Head of Finance who has responsibility for managing the finance team and its functions.

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 2018

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

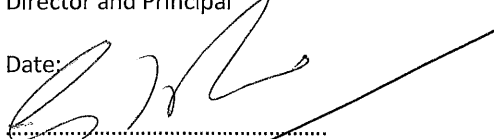
After making appropriate enquiries, the Directors consider that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Approval

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



S. A. Coen
Director and Principal

Date: 

G. F. Pine
Director and Chair

Date: 20 February 2019

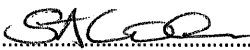
DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

STATEMENT ON THE COLLEGE'S REGULARITY, PROPRIETY AND COMPLIANCE WITH FUNDING BODY TERMS AND
CONDITIONS OF FUNDING
FOR THE YEAR ENDED 31 JULY 2018

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.

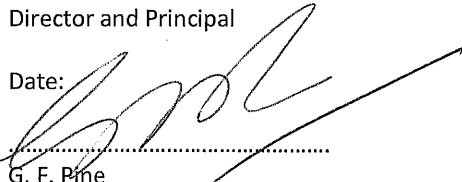
We confirm, on behalf of the Company, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the College, or material non-compliance with the Education Funding Agency's terms and conditions of funding under the College's funding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


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S. A. Coen
Director and Principal

Date:


.....
G. F. Pine

Director and Chair

Date: 20 February 2019

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

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

OPINION

We have audited the financial statements of Doreen Bird College of Performing Arts Limited (the 'Company') for the year ended 31 July 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2018 and of its profit 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement on page 10, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

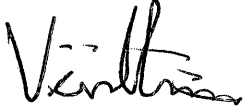
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

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

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Taylor (Senior statutory auditor)

for and on behalf of

Ventham's

Chartered Accountants

Statutory Auditor

51 Lincoln's Inn Fields

London

WC2A 3NA

27 February 2019

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2018

	Note	2018 £	2017 £
Income			
Funding body grants	4	3,629,306	3,211,852
Tuition fees and education contracts	5	1,854,205	1,810,406
Other operating income	6	264,322	270,433
Bank deposit interest receivable		421	-
		<u>5,748,254</u>	<u>5,292,691</u>
Expenditure			
Staff costs		(3,790,732)	(3,545,023)
Depreciation and amortisation	11	(422,739)	(311,323)
Other operating expenses	9	(1,526,955)	(1,371,052)
		<u>7,828</u>	<u>65,293</u>
Operating profit		<u><u>7,828</u></u>	<u><u>65,293</u></u>
Total comprehensive income for the year		<u><u>7,828</u></u>	<u><u>65,293</u></u>

The statement of comprehensive income and expenditure is in respect of continuing activities.

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 22 to 36 form part of these financial statements.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED
REGISTERED NUMBER:03088287

BALANCE SHEET
AS AT 31 JULY 2018

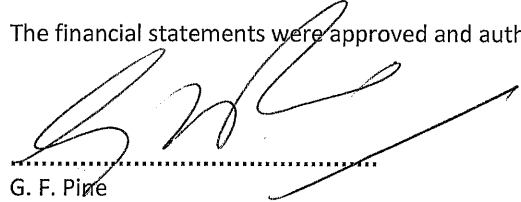
	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	11		1,109,145		1,316,355
			<u>1,109,145</u>		<u>1,316,355</u>
Current assets					
Debtors: amounts falling due within one year	12	148,018		194,219	
Cash at bank and in hand	13	1,043,966		588,897	
		<u>1,191,984</u>		<u>783,116</u>	
Creditors: amounts falling due within one year	14	(1,565,991)		(1,372,161)	
Net current liabilities			<u>(374,007)</u>		<u>(589,045)</u>
Total assets less current liabilities			<u>735,138</u>		<u>727,310</u>
Total assets			<u><u>735,138</u></u>		<u><u>727,310</u></u>
Capital and reserves					
Called up share capital	15		1,000		1,000
Revaluation reserve	16		180,261		241,681
Profit and loss account	16		553,877		484,629
Total reserves			<u><u>735,138</u></u>		<u><u>727,310</u></u>


DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED
REGISTERED NUMBER:03088287

BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2018

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. Piñe
Director and Chair


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

Date: 20 February 2019

Date: 20 February 2019

The notes on pages 22 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 2018

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 August 2016	1,000	307,988	353,029	662,017
Comprehensive income for the year				
Profit for the year	-	-	65,293	65,293
Total comprehensive income for the year	-	-	65,293	65,293
Transfer to/from profit and loss account	-	(66,307)	66,307	-
At 1 August 2017	1,000	241,681	484,629	727,310
Comprehensive income for the year				
Profit for the year	-	-	7,828	7,828
Total comprehensive income for the year	-	-	7,828	7,828
Transfer to/from profit and loss account	-	(61,420)	61,420	-
At 31 July 2018	1,000	180,261	553,877	735,138

The notes on pages 22 to 36 form part of these financial statements.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

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 unless otherwise specified within these accounting policies and 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 (the 2015 FE HE SORP) and the associated College Accounts Direction for 2017 to 2018. .

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. In making this statement the Directors have considered a period exceeding 12 months from the date of approval of these 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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for under the accruals concept with the addition of Value Added tax as the Company is not registered for Value Added Tax.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

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

1.5 Tangible fixed assets and depreciation

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 under the cost model 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.

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.

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.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the profit and loss account.

Land is not depreciated. Depreciation on other assets 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:

Improvements to leasehold premises	-	Over the term of the lease
Costumes and props	-	20% Reducing balance method
Motor vehicles	-	20% Reducing balance method
Fixtures, fittings and equipment	-	20% Reducing balance method
Computer & IT Equipment	-	20% Reducing balance method
Musical instruments	-	20% Straight line 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.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

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

1.6 Revaluation of tangible fixed assets

The company has adopted the revaluation model to revalue items of property, plant and equipment whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of items of plant and machinery is usually their market value determined by appraisal.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity 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 and loss.

1.7 Debtors and prepayments

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 instrument 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. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

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

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.

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 a previous 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 2018**4. Funding body grants**

	2018	2017
	£	£
Education Funding Agency - Dance and Drama Awards	788,015	791,731
Greenwich University for BA and Foundation Degree	2,841,291	2,420,121
	<u>3,629,306</u>	<u>3,211,852</u>

5. Tuition fees and education contracts

Tuition fees charged	390,032	376,401
Pre-professional course fees	433,700	314,934
Private lessons and examinations	77,514	74,422
Summer and Easter short courses	80,376	75,420
Arts Council - Music Hub	395,931	399,854
Arts Council - Artsmark Award	-	8,333
Music Services - School income	187,427	192,775
Bexley Council - Music services	300	4,000
Music department income	219,352	303,317
PPA Income	69,573	60,950
	<u>1,854,205</u>	<u>1,810,406</u>

6. Other operating income

Agency commission receivable	23,895	23,531
Audition fees	52,929	52,883
Income from productions and shows	96,391	97,591
Student tours	48,274	36,872
Vending machines and catering	-	414
Musical instrument hirings	14,005	24,991
Miscellaneous income	28,828	34,151
	<u>264,322</u>	<u>270,433</u>

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

7. Employee and staff details

	2018	<i>2017</i>
	£	<i>£</i>
Wages, salaries and benefits in kind	3,337,835	<i>3,163,171</i>
Social security costs	312,853	<i>273,202</i>
Pension costs	140,044	<i>108,650</i>
	<u>3,790,732</u>	<u><i>3,545,023</i></u>

The average monthly number of employees, including the directors, during the year was as follows:

	2018	<i>2017</i>
	No.	<i>No.</i>
Directors	2	<i>2</i>
Other key management personnel	3	<i>3</i>
Teaching staff	61	<i>67</i>
Non teaching staff	37	<i>22</i>
	<u>103</u>	<u><i>94</i></u>

8. Directors' and key management personnel remuneration

Key management personnel are defined as members of the College Leadership Team and were represented by the following:

	2018	<i>2017</i>
	No.	<i>No.</i>
Directors (principal & deputy principal)	2	<i>2</i>
Other key management personnel (assistant principals)	3	<i>3</i>
	<u>5</u>	<u><i>5</i></u>

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

Directors' and key management personnel remuneration (continued)

	2018	2017
	£	£
Directors' emoluments	202,839	188,735
Directors' pension costs	8,239	12,113
Directors' national insurance	25,731	25,680
Directors' private health insurance	(307)	10,382
	<u>236,502</u>	<u>236,910</u>
Other key management remuneration		
Key management salaries	169,598	151,885
Key management pension costs	9,019	8,115
Key management national insurance	19,990	17,561
	<u>435,109</u>	<u>414,471</u>

During the year retirement benefits were accruing to 2 directors (2017 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration (including benefits in kind) of £112,725 (2017 - £113,726).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,711 (2017 - £6,734).

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

	2018	2017
	No.	No.
£30,001 to £40,000	-	1
£50,001 to £60,000	3	2
£80,001 to £90,000	-	1
£90,001 to £100,000	1	-
£100,001 to £110,000	-	1
£110,001 to £120,000	1	-
	<u>5</u>	<u>5</u>

There were no other staff members who received annual emoluments of £60,000 or more.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

9. Other operating expenses

	2018	2017
	£	£
Teaching costs		
Printing, postage and stationery	20,322	18,645
Theatre production expenses and overseas tours	354,773	267,449
	<u>375,095</u>	<u>286,094</u>
Teaching support services costs		
Resources costs	9,708	7,044
Audition expenses	2,502	2,393
Teaching equipment repairs	8,961	8,930
External validation fees	25,870	25,785
Teaching aids	-	237
Exam costs	30,492	30,972
Staff development fund	28,273	19,989
	<u>105,806</u>	<u>95,350</u>
Administration and central services costs		
Insurances	38,055	26,815
Printing postage and stationery	20,836	18,645
Telephone and internet	25,502	23,819
Bad and doubtful debts	4,792	3,983
Motor running costs	2,438	1,348
Hotels, travel and subsistence	7,694	6,076
Equipment leasing	15,850	17,332
Bank charges	8,783	8,375
Auditors' remuneration	10,800	12,750
Accountancy	10,800	13,050
Payroll services fee	7,716	7,320
Computer costs	78,886	87,548
Catering	16,490	10,960
HR and and health and safety consultants	13,234	17,157
Staff recruitment	26,036	21,460
Legal and professional	27,364	18,200
Sundry expenses	15,586	10,026
	<u>330,862</u>	<u>304,864</u>

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

General education costs		
Marketing costs	77,208	77,072
Trade subscriptions	39,127	41,032
	<u>116,335</u>	<u>118,104</u>
Premises costs		
Rent payable	357,261	315,559
Rates and water	24,972	23,609
Light and heat	52,160	47,214
Repairs to premises	45,577	69,258
Cleaning, laundry and hygiene	13,659	14,437
Alarms and vending maintenance	4,829	5,038
Removal costs	-	1,695
Canteen subsidy	89,671	75,430
Property consultancy fees	10,728	14,400
	<u>598,857</u>	<u>566,640</u>
Total other operating expenses	<u><u>1,526,955</u></u>	<u><u>1,371,052</u></u>

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

10. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is lower than (*2017 - lower than*) the standard rate of corporation tax in the UK of 19% (*2017 - 20%*). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	7,829	65,293
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (<i>2017 - 20%</i>)	1,487	13,059
Effects of:		
Other timing differences leading to an increase (decrease) in taxation	(1,487)	(13,059)
Total tax charge for the year	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**11. Tangible fixed assets**

	Short term leasehold property £	Costumes, props and instruments £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation					
At 1 August 2017	869,908	524,768	23,237	379,411	1,797,324
Additions	78,063	28,585	15,947	92,934	215,529
Disposals	-	(5,345)	-	(4,648)	(9,993)
At 31 July 2018	<u>947,971</u>	<u>548,008</u>	<u>39,184</u>	<u>467,697</u>	<u>2,002,860</u>
Depreciation					
At 1 August 2017	164,469	195,619	4,647	116,234	480,969
Charge for the year on owned assets	231,458	96,457	6,907	81,521	416,343
Disposals	-	(1,924)	-	(1,673)	(3,597)
At 31 July 2018	<u>395,927</u>	<u>290,152</u>	<u>11,554</u>	<u>196,082</u>	<u>893,715</u>
Net book value					
At 31 July 2018	<u>552,044</u>	<u>257,856</u>	<u>27,630</u>	<u>271,615</u>	<u>1,109,145</u>
At 31 July 2017	<u>705,439</u>	<u>329,149</u>	<u>18,590</u>	<u>263,177</u>	<u>1,316,355</u>

Following the reorganisation of the College into one site in 2016, a detailed review of Fixed Assets was carried out and a policy was 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 was carried out by the staff of the College in consultation with external contractors and the revaluation amount was 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 at that time. 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 2018**12. Debtors**

	2018	2017
	£	£
Trade debtors	30,697	32,711
Other debtors	19,773	20,904
Prepayments and accrued income	97,548	140,604
	<u>148,018</u>	<u>194,219</u>

13. Cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	1,043,967	588,897
Less: bank overdrafts	-	(900)
	<u>1,043,967</u>	<u>587,997</u>

14. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Bank overdrafts	-	900
Trade creditors	126,961	207,272
Amounts owed to group undertakings	1,048,388	794,808
Other taxation and social security	97,575	94,177
Other creditors	47,555	48,208
Accruals and deferred income	245,512	226,796
	<u>1,565,991</u>	<u>1,372,161</u>

15. Share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
1,000 (2017 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

16. Reserves

Revaluation reserve

The revaluation reserve represents the net surplus arising on the revaluation at 1 August 2015 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.

17. Contingent liabilities

Value Added Tax (VAT) position

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 and the European Courts which have ruled that this type of income would not be taxable in an unconnected case concerning the VAT liability of certain supplies which are closely related to education.

HMRC have issued guidance on the application of this decision and the College is of the opinion that if the guidance is applied to certain aspects of its income these items of income would not form taxable income and the remaining amounts of taxable income would not be sufficient for VAT registration to be required.

If the opinion is not 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.

Guarantee of borrowings of holding company

The company has given a guarantee in respect of bank borrowings of the holding company, The Doreen Bird Foundation to a maximum of £2,400,000 (2017 £2,400,000) plus further sums for interest and charges. The guarantee is secured by fixed and floating charges over the company's assets.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

18. Commitments under operating leases

The Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£	£
In respect of land and buildings		
Not later than 1 year	250,000	250,000
Later than 1 year and not later than 5 years	562,500	812,500
	<u>812,500</u>	<u>1,062,500</u>
	2018	2017
	£	£
In respect of other leases		
Not later than 1 year	17,208	17,592
	<u>17,208</u>	<u>17,592</u>

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

19. Related party transactions

Owing to the nature of the Charity's operations and the nature of its subsidiary College's operations and the Trustees being drawn in part from local private and public sector organisations, it is inevitable that transactions will take place with organisations in which a Trustee may have an interest. All transactions with such organisations are conducted at arm's length and in accordance with the Charity's and the College's financial regulations and procurement procedures. Transactions and balances with the parent, The Doreen Bird Foundation.

Transactions and balances with the parent, The Doreen Bird Foundation ("The Foundation").

During the year rent of £250,000 (2017: £250,000) was paid by The College, 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 £6,668 (2017 £9,248).

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 (2017 £2,000).

The College owes The Doreen Bird Foundation £1,048,388 (2017 £794,808) in respect of the inter-company current account and this amount is included in creditors due within one year. The amount The College owes The Foundation has risen because of 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 amounts owed are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The Doreen Bird College of Performing Arts Limited has given an undertaking of £2.4 million (2017 £2.4 million) to guarantee borrowings taken out by The Doreen Bird Foundation. This is secured by fixed and floating charges over the assets of The Doreen Bird College of Performing Arts Limited. The Doreen Bird College of Performing Arts Limited has also given an indemnity on 26 January 2018 in respect of the total payments due under a lease agreement entered into by The Doreen Bird Foundation to provide a modular building on the property that is used by the College for the purpose of its trade. The lease did not formally commence until after 31 July 2018. The indemnity was given for the full amount of the lease payments of £1,209,534.

20. Post balance sheet events

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

21. 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.

