THE ROYAL CENTRAL SCHOOL OF SPEECH AND DRAMA FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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# REPORT OF THE BOARD AND EXECUTIVE

The Royal Central School of Speech and Drama (hereafter referred to as ‘Central’ or the ‘School’ and defined as ‘the parent company’) continues to celebrate and meet the challenges of an ever changing social and political environment. Central is on an exciting journey reflecting on who we were, who we are, and who we will be in the future.

We welcomed Josette Bushell-Mingo OBE as our new Principal and Accountable Officer with effect from 16 August 2021. Professor George Caird stood down as Interim Principal on 15 August 2021 but remained with Central as an Associate Principal until 30 April 2022. We record our thanks to Professor Caird for ensuring continuity at a senior level during a transitional period pending the implementation of the Vice-Principal structure to replace the former Dean who retired in December 2020. Professor Maria Delgado, Director of Research assumed additional responsibilities as Vice-Principal (Research and Knowledge Exchange) from the start of the year. Mark Hunter was appointed to the new role of Vice-Principal (Curriculum and Student) with effect from April 2022. Vinita Suryanarayanan took up the role of Director of Operations in September 2021.

We started the new fiscal year with optimism with the setting of a ‘Recovery Budget’ based on an anticipated deficit of £477k after recording a deficit of £1.2m in the previous year. The impact of the Covid pandemic continued to be felt during 2021/22. As a consequence of this, a Revised Budget deficit of £624k was approved in autumn 2021. This was updated to an increased forecast deficit of £817k towards the end of the year. The actual outturn of £1.05m was close to forecast. Further details of our financial performance can be found in the Financial Review for the Year included within these statements.

In addition to financial pressures and the continuing impact of the Covid pandemic, the higher education sector faced much uncertainty during the year. We started the year with the implementation of funding reductions to taught arts programmes and the withdrawal of London Allowances, frozen regulated tuition fee levels and uncertainty about the future of BTECs. This has led to the closure of both arts and humanities courses across the country. Central has a clear vision and we have embarked on a review of our course provision and our supporting infrastructure to ensure it remains current and responds to the needs of our students and the future needs of our industries. We have faced unprecedented levels of high inflation which has placed a great strain on our students and our cost structures. We continue to work hard to find way to increase scholarship and bursary support to enable those with talent to continue to study at Central regardless of background or means.

The sector was subject to a periodic Research Excellence Framework (REF21) assessment exercise during the year. Central also participated in the periodic review of world-leading specialist institutions additional allocations for teaching. We are pleased to report that Central recorded excellent outcomes in both reviews. The Office for Students (OfS) Panel agreed that Central is world-leading for its teaching and education activities. This will lead to the continuance of specialist funding for at least the next five years. 94% of Central’s research outputs submitted to REF21 was deemed to be internationally excellent or world-leading, with 75% at 4\* against the overall sector outcome of 41% at 4\* - this places us as the top conservatoire arts institution in research in the UK, a rich and significant highlight of 2022. Our thanks go to dedicated hard work of our staff who made this outstanding achievement possible. This outcome will enable the School to continue to build upon its strength in research and underpin the excellence in all of our work.

But we cannot and will not sustain such interest and potential without continuous review of our history, who we have become and who we want to be. We continue to work diligently and look deeply at all our structures and procedures as we work towards embedding diversity and inclusion in everything we do. This has included a review of our complaints procedures, staff and student training including discourse from anti-Semitism to anti-Bias training concerning dialect or language. The Principal holds regular staff and student drop-ins. The Accessibility Group are in regular dialogue with the Student Union. This ensures that we hear directly from our students and staff as we build towards our better and inclusive future.

These are tough times – but they are also the times that make us stronger – and there are many highlights below. The smallest step of change, degree or emeritus gained, all contribute to Central’s success. A snapshot of some of the key events, awards, and achievements in-year include:

Events and Partnerships

* Central’s Learning Skills programme unveiled a new, yearlong series of events, activities and public lectures entitled Black History 365. The 2021-22 programme of events included a keynote from Amira Samatar, the online UK premiere of documentary film *My Name Is,* and a Public Lecture series featuring Riadh Ghemmour, Dr Alia Amir and Rafia Zakaria and an arts residency with Griot Chinyere Nwaubani.
* The StART Entrepreneurship Project, a collaboration between Central, the Royal Northern College of Music and the University of the Arts London to support the professional development of students within the creative arts, ran 15 dedicated events for students. The Project also announced the winners of 2021 the StART Enterprise Slam and, in November, the KickStART Creative Lab welcomed over 120 student participants from across the UK for a weekend of collaborative workshops, interactive sessions, and talks about the creative industries.
* Central’s Outreach programme delivered programmes to young people across the

country, including bespoke programmes in collaboration with Backstage Niche, which works to inform and encourage the younger generation from various Global backgrounds to consider the exciting possibilities of a career in backstage theatre.

* In partnership with the Donmar Warehouse, and in support of their UK premiere of *The*

*Trials* which explores the climate crises and its impact on young people, Central hosted workshops over the Easter period and engaged with over 240 young people.

* Central hosted the Association for Lighting Production and Design and White Light

New Technology Showcase, at which Central students had the opportunity to design, plan, rig and programme a high profile, public facing event for industry professionals alongside their course tutors and event staff from White Light.

* Course Leader Richard Hougham held his book launch for ‘Dramatherapy: The Nature of

Interruption’ in the Embassy Theatre, welcoming an audience of students, staff, alumni, Dramatherapists and invited guests. The book celebrates 35 years of the dramatherapy programme at Central and 20 years of the MA Drama & Movement Therapy course.

* Central partnered with New Earth in July to host their intensive two-week New Earth

Performers Academy. The only programme of its kind in the UK, New Earth Academy provides free, specialist training and opportunities for British East and South East Asians (BESEA) aged 18+ who are interested in developing their skills and engagement in theatre- making and performing arts.

* Central announced a new partnership with the Hampstead Theatre to solidify existing links, identify shared goals and opportunities for development, and to ensure that the artistic and operational endeavours of both organisations are more closely aligned.

News

* Central received its results in the REF 2021, a strong showing for Central and for the conservatoire sector which demonstrates the importance of research in the creative arts to public life.
* The Leverhulme Trust awarded Central over £535,000 to establish a range of student

scholarships and to further support the School’s internationally recognised work in Applied

Theatre.

* Central Research was awarded £450,000 by the Arts and Humanities Research Council through UKRI’s Impact Acceleration Account, enabling the School to create a Centre for Research Impact in the Performing Arts to co-ordinate, expand and promote its impact and Knowledge Exchange activities.
* In May, Central celebrated the one-year anniversary of the launch of its Keep Creating Campaign to raise vital funds for students impacted by the Coronavirus pandemic. Thanks to the generosity of 159 donors, almost £100,000 has been raised for bursaries for Central

students as well as for the Student Centre to support student health and wellbeing.

* Matched-funding was secured from The Childhood Trust and Ros and Alan Haigh to support youth theatre bursaries for Central’s Youth Theatre Programme.
* Central’s Principal Josette Bushell-Mingo OBE delivered the keynote address at The

Stage’s *Future of Theatre Conference.*

* Professor Maria Delgado, Central’s Vice Principal (Research and Knowledge Exchange)

was appointed to the UK Committee on Research Integrity (UK CORI).

* Dr Broderick Chow was also Appointed Chair-Elect of TaPRA (the Theatre and Performance Research Association) with Dr Rachel Hann and Dr Royona Mitra.
* Dr Kate Elswit was awarded a Research Development and Engagement fellowship from the Arts and Humanities Research Council (AHRC).
* Central was awarded the National Network for the Education of Care Leavers (NNECL) Quality Mark in recognition of the inclusion and success of its care experienced students.

Central is the first small, specialist institution and the first drama school to receive this designation.

Awards

Students

* BA (Hons) Acting Musical Theatre student Gracie Fellows was one of nine drama school students to have been awarded a Lilian Baylis award.
* BA (Hons) Acting Musical Theatre student Jasmine Elcock was awarded a 2022 Laurence Olivier Bursary from the Society of London Theatres.
* BA Drama, Applied Theatre and Education student Ella Bassett-Jull's project *Stand By You* was shortlisted for a Digital Culture Award for empowering young people through digital inclusion with the Chichester Festival Youth Theatre.
* BA (Hons) Acting Collaborative and Devised Theatre student Natasha Stone achieved the runner-up award as a finalist for the 2022 BBC Hobbes Bursary Award for which BA (Hons) Acting Musical Theatre student William Marr also received a Special Commendation.

Staff

* In October, Principal Josette Bushell-Mingo was awarded H.M. The King’s Medal 8th size with the ribbon of the Order of the Seraphim by H.M. King Carl XVI Gustaf in Stockholm for Service to the Arts.
* Central’s Dyslexia Support Team were awarded the Association of Dyslexia Specialists in

Higher Education’s (aDShe) Institutional Award.

* Central’s Neuro-Inclusion Service Coordinator, Tanya Zybutz, was awarded the Special Recognition Award from The Association of Dyslexia Specialists in Higher Education.
* Graduate and StART Entrepreneurship Project staff member Deirdre McLaughlin was awarded the 2021 Genesis Future Directors Award from the Young Vic.
* The International Online Theatre Festival, a yearly event organised by The Theatre Times with support from Central and lead by a team from The Theatre Times and Central, won the award for ‘Best Online Project’ at this year’s Culture Online International Awards.
* Central’s Innovating Knowledge Exchange Intergenerational Project was awarded the

Silver Award at the Pearson National Teaching Awards in recognition of the Collaboration between Central, Imperial Hospital NHS Trust and Whitefield School. It was also a finalist at the Tes Schools Awards and for four awards at the Music & Drama Education Awards where alumn James Clarke was awarded the Drama Inspiration Award for his work with the project.

* Central staff and students were represented across the shortlist for the Theatre &

Performance Research Association (TaPRA) prizes, including for the prestigious David Bradby Monograph Prize, and with wins in the Postgraduate Essay Prize and the Edited Collection Prize categories.

* Dr Javeria Khadija Shah was nominated for the Positive Role Model Award for Race, Religion and Faith at the 2022 National Diversity Awards.
* Dr Kate Elswit and the research team behind project *Dunham’s Data* were awarded the 2021 Association for Theatre in Higher Education (ATHE) – American Society for Theatre Research (ASTR) Excellence in Digital Scholarship Award
* Dr Duška Radosavljević and the team behind the *Aural/ Oral Dramaturgies* project were awarded the Elliott Hayes Award for Outstanding Achievement in Dramaturgy by the Literary Managers and Dramaturgs of the Americas. The Team was also awarded the 2022 ATHE – ASTR Excellence in Digital Scholarship Award.

Alumni

* Graduate and Honorary Fellow Vanessa Redgrave (Stage 1957) was made a Dame in the

New Years Honours 2022.

* Graduate and Honorary Fellow Riz Ahmed was the recipient of the British Independent

Film Festival’s Richard Harris Award 2021.

* Riz Ahmed (MA Acting 2006) won an Oscar this year in the category of Best Live Action Short Film for *The Long Goodbye*. Also nominated for Oscars this year were Andrew Garfield (BA (Hons) Acting 2004), for his performance in *Tick, Tick… Boom!*, and Dame Judi Dench (Stage 1957), for her performance in *Belfast*.
* For his performance as Jonathan Larson in *Tick, Tick...BOOM!,* Andrew Garfield (BA (Hons) Acting 2004) was also nominated for a Screen Actors Guild award and won a Golden Globe award. And for his performance in *Under the Banner of Heaven*, he was nominated for an Emmy.
* Nonso Anozie (BA (Hons) Acting 2002) and Graham Norton (Stage 1989) were both nominated for BAFTA Television Awards, for Best Supporting Actor in *Sweet Tooth* and Best Entertainment Performance for *The Graham Norton Show* respectively.
* At the Critics’ Circle Theatre Awards, Cush Jumbo (BA (Hons) Acting 2006) won Best Shakespearean Performance for *Hamlet*, and Igor Memic (MFA Writing for Stage and Broadcast Media 2016) won Most Promising Playwright for *Old Bridge*.
* Olivier Award Nominations included Cush Jumbo (BA (Hons) Acting 2006) for Best Actress, Dino Fetscher (BA (Hons) Acting Collaborative and Devised Theatre 2013) for Best Actor in a Supporting Role, and Carolyn Downing (BA (Hons) Theatre Practice 2002) for Best Sound Design.
* Graduate Hei Tung Kwok (BA (Hons) Theatre Practice – Design for Stage 2020) was one of the twelve recipients of the 2021 Linbury Prize.
* At the Black British Theatre Awards, which were co-hosted by Danny Sapani (Stage 1992), both Ingrid Mackinnon (MA Movement Studies 2017) and Aretha Ayeh (BA (Hons) Acting Musical Theatre 2012) won awards for their work on Regent’s Park Open Air

Theatre’s production *Romeo and Juliet.* The Almeida Theatre’s production *…and breathe*, which included voice and dialect coaching from Hazel Holder (MA Voice Studies 2014), also won numerous awards.

* Isabelle Kirkham was shortlisted for the Positive Role Model Award for Age at the 2022 National Diversity Awards.
* Cat Mahari (MA/MFA Performance Practice as Research 2011) won a 2021 3Arts/ Walder Foundation Award in Dance, recognising the contributions of Chicago’s women artists, artists of color, and Deaf and disabled artists.
* FlawBored, a disability-led theatre company co-founded by Class of 2020 grads Samuel Brewer, Chloe Palmer and Aarian Mehrabani, won the 2022 Greenwich Theatre Award. They were also selected for the CRIPtic showcase at the Barbican Centre.
* Graduates Chris Foxon (MA Creative Producing 2012, Papatango Theatre Company) and Clem Garritty (MA Scenography 2011, Swamp Motel) were named on The Stage’s list of 25 Theatre-Makers to Watch.
* Hannah Jarrett Scott (BA (Hons) Acting Musical Theatre 2013) was nominated for a Stage Debut Award in the category of Best West End Debut Performer.

Principals Post-Year-End Events – industry facing

During the year, we were fortunate that our President, Michael Grandage CBE, continued to support us in so many ways. Michael’s term of office as President came to an end after the year- end. We are so indebted to Michael for his sterling and inspirational support and guidance to staff and students throughout his tenure. Michael has been a true supporter and ambassador of Central giving so freely of his time. We look forward to a continuing relationship with Michael in his ongoing position as an Honorary Fellow.

As we move into the new year, we have pleasure in announcing our new President and further Vice-President appointments to bring expertise and excellence to inform exciting new explorations and intersections in the fields such as film, literature and science. We are delighted that alumna Sonia Friedman OBE has been appointed as President of Central. Zoe Wanamaker continues as a Vice-President but will be supported in this role by an enhanced Vice-President structure. Margaret Aderin-Pocock, Anne Mensah, Ben Okri OBE FRSL and Jenny Sealey MBE have all been appointed as Vice-Presidents of Central.

Thanks are due to our Governors who contributed so much throughout the year. We record thanks to Independent Governors who stood down at the end of the year especially to Alan Haigh, Menna McGregor and Anne Mensah for their sterling service to Central over the years. We are grateful too to the many donors, sponsors, partners and friends who support Central in so many ways.

Central is fast becoming a magnet, drawing arts practitioners and events from across the sector and intersection – new short courses, and our young people development programmes continue to reach out across the London and beyond.

We are introducing up to six associated theatres from the black and global majority companies. We are negotiating new training with internationally recognised theatres, universities and international stakeholders – including festivals.

Central will now embark on a period of new investment in infrastructure including integrated administrative systems that speak to student systems, renovation of the estates, IT systems and development of film and digital production platforms.

We look forward to an exciting period ahead and realising our plans. This is Central.



John Willis Josette Bushell-Mingo OBE

Chair of Governors Principal / Chief Executive

# STRATEGIC REPORT INCLUDING OPERATING AND FINANCIAL REVIEW

* 1. Structure

##### Patron and Presidents

Patron HRH Princess Alexandra, The Hon Lady Ogilvy KG GCVO

President Michael Grandage CBE until 16 November 2022 Sonia Friedman from 17 November 2022

Vice Presidents Zoë Wanamaker CBE

Margaret Aderin-Pocock MBE from 28 November 2022 Anne Mensah from 28 November 2022

Ben Okri OBE FRSL from 28 November 2022 Jennifer Sealey MBE from 28 November 2022

##### Board of Governors

All Governors of Central are Directors of the Company and Trustees of the Exempt Charity. The role of Governor is unpaid and no Governor receives any reimbursement for their work as a Governor; however, out of pocket expenses are available, and those paid during the year are set out within the staff costs note to the financial statements.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Appointed to Board in year | Retired/  resigned from Board in year | Committee Memberships |
| John Willis  ***(Chair of Governors)*** |  |  | Remuneration (Co-Chair) Search Committee – Vice- Principal (Chair)  Search Committee -Governors (Chair)  Search Committee - President Nominations (Chair)  Diversity and Inclusion Finance and Estates |
| Menna McGregor  ***(Deputy Chair of Governors)*** |  | 18/07/22 | Remuneration (Co-Chair)  Human Resources (Chair) Nominations |
|  | | | |
| Gary Beestone |  |  | Finance and Estates |
| Abdul Bhanji OBE |  |  | Finance and Estates Nominations Remuneration (Co-Chair)  Search Committee -Governors |

|  |  |  |  |
| --- | --- | --- | --- |
| \*Josette Bushell- Mingo OBE ***(Principal Ex-Officio)*** | 16/08/21 |  | Finance and Estates Human Resources Nominations  Diversity and Inclusion Search Committee – Vice- Principal  Search Committee - Governors  Search Committee - President |
| \*Professor George Caird  ***(Interim Principal Ex- Officio)*** |  | 15/08/21 | Diversity and Inclusion Finance and Estates Human Resources Nominations  Search Committee – Vice-  Principal |
| Ed Callow ***(Student Union President)*** | 01/08/21 | 31/07/22 | Diversity and Inclusion Nominations  Search Committee – Vice-  Principal |
| Yui Chit Daniel Chan |  |  | Audit (*Chair from 18/07/22)* Senior Independent Governor (SIG) (*from*  *18/07/2022*) |
| Christina Coker  OBE |  |  | Audit |
| Prof Maria Delgado ***(Academic Board Elected)*** |  |  | Nominations  Search Committee – Vice-  Principal (curriculum and Students) |
| Prof Rajinder Dudrah |  |  | Diversity and Inclusion Audit  Academic Board champion |
| Dr Stephen Farrier  ***(Staff elected)*** |  | 4/09/22 | Diversity and Inclusion Search Committee – Vice- Principal until 21 September  2021 |
| Eleni Gill |  |  | Diversity and Inclusion Human Resources  Search Committee - Governors |
| Alan Haigh |  | 18/07/22 | Audit (Chair)  Senior Independent Governor (SIG) |
| Clare Hennings |  |  | Finance and Estates (Chair)  Remuneration |

|  |  |  |  |
| --- | --- | --- | --- |
| Matthew Layton | 18/07/2022 |  | Finance and Estates  Remuneration |
| Anne Mensah |  | 18/07/22 | Diversity and Inclusion (Chair)  Search Committee – Principal |
| Ajunesh Saji- Viswam  ***(Student elected)*** | 29/11/21 | 29/09/22 |  |
| Mark White |  |  | Finance and Estates Nominations Human Resources  Health and Safety champion |
| Alexandra Hutson  ***(Student Nominated)*** |  | 01/10/21 | Nominations |

##### Clerk to Governors

Deborah Scully MBE was the Clerk to Governors (and Company Secretary) alongside her Deputy Principal role throughout the financial year, supported in the discharge of duties by Jamie Shaw, Head of Governance and Executive Support and the governance office.

Material change post year-end:

* Michael Grandage CBE stepped down from the office of President on 16th November 2022; the President with effect from this date onwards was *Sonia Friedman OBE*, elected in advance at the Annual General Meeting of Members of the Company on 18th July 2022.
* Four Vice-Presidents of the School were elected in advance at the Annual General Meeting on 18th July 2022 to take up roles with effect from 28th November 2022: *Margaret Aderin- Pocock MBE*, *Anne Mensah*, *Ben Okri OBE FRSL* and *Jennifer Sealey MBE*.
* *Ed Callow* concluded his term as Student President on 31st July 2022 and as such his term as ex-officio governor, and was replaced by *Mia Doona* from 01st August 2022.
* Staff Nominated Governor *Dr Stephen Farrier* concluded his term of office in light of his departure from Central with effect from 04th September 2022;
* Amanda Stuart-Fisher was elected as Staff Governor and was co-opted to the Board of Governors on 26 October 2022.
* Ajunesh Saji-Viswam concluded the term as postgraduate Student Governor in October 2022 following the completion of his course of study. Simone Sena was elected to this office post year-end as was to be co-opted to the Governing Body in November 2022.
  1. Constitution

Central is a Company Limited by Guarantee, with a subsidiary Company, CSSD Enterprises Limited. Central is also an Exempt Charity under the terms of the Charities Act 2011. Central has no linked charities.

On 1st April 2018 the Office for Students (OfS) became the principal regulator of Central, both as a Higher Education Institution and as an exempt Charity. The members of the Governing Body (Governors) of Central are both Company Directors and charitable Trustees.

Central was admitted as a Federal College of the University of London on 1 September 2005.

* 1. Charity Objects

Central’s objects, powers and framework of governance are set out in its Articles of Association. The current version was approved by Privy Council on 25 February 2014. The objects for which Central is established are the advancement of education and learning and to promote the knowledge, study and practice of speech training and of dramatic art.

Vision:

*To lead an innovative theatre and performing arts culture that enriches and changes our world.*

Mission:

*To inspire, educate and train the performers, practitioners and change-makers of tomorrow and to shape the future of theatre and the performing arts.*

In setting and reviewing Central’s objectives and activities, the Governors have had due regard to the Charity Commissioner’s guidance on the reporting of public benefit and particularly to its guidance on the advancement of education and fee charging.

* 1. Strategic Plan

Central is a Higher Education conservatoire, drawing both of those elements together and situating itself at the junction of HE, industry and community interests, contributing to the interplay of these interests, and brokering the relationships between them.

Central continues its work to deliver its academic and operational priorities as outlined in its [Strategic Plan to 2023.](https://www.cssd.ac.uk/about-central/centrals-strategic-plan-2021-2023) As a conservatoire of the theatrical and performing arts that is recognised and funded by OfS as a small specialist institution, Central has many strengths: a long history of educating and training significant numbers of leading practitioners; a live and expanding connection with industry; local, national and international reach; state-of-the-art courses of study across a comprehensive range of disciplines; a vibrant and successful Research and Knowledge Exchange community; distinguished teaching staff; a long-term engagement with community and civic mission, and more. Central aims to continue to lead as an inspiring centre of excellence in theatre and the performing arts.

Central continues to:

* + - plan for a future that will embrace developments in theatre and the performing arts and the digital revolution all around us;
    - embed equity and inclusion in its curricula, facing the past and continuing to reconcile histories of inequity by taking forward what we have learned from important contemporary social justice movements;
    - recognise the rising need to support and listen to students and staff through challenging times and prioritise safety, health and wellbeing for all;
    - consider infrastructure priorities and appetite to invest in order to keep our buildings and facilities state-of-the art;
    - prioritise contributions to Research and Knowledge Exchange, evidenced by an exemplary result in the Research Excellence Framework (REF);
    - re-centre our values and prioritise civic and community engagement through developing partnerships with local organisations, and
    - manage and mitigate the significant risks to our provision in a tumultuous sectoral and political environment.

Within the financial year 2021-22, Central has set in motion ambitious ongoing projects to review its full curricular portfolio and align staffing structures to three “academic departments” to support the aims of the Strategic Plan.

The Strategic Plan to 2023, published in the prior fiscal year, set out a way forward for a defined period in the context of a continuing uncertain and challenging environment resulting from the pandemic, Brexit and other external factors including concerns over government funding and student health and wellbeing. The Strategy is available on our website and its key themes are summarised below:

Key Themes of the Strategy to 2023

Our strategy is about challenging ourselves and bringing about growth and change. This will be achieved within five key strategic themes, the first of which, Equity and Inclusion, acts as an overarching set of principles for all our work:

1. Equity and Inclusion

*Creating a culture that practices equity and inclusion at all levels throughout Central; that fosters awareness of power, responsibility, and accountability; that promotes ownership for equity and inclusion at an individual and community level; attends to the lived experiences, identities and positionalities of all our students and staff; does not tolerate discrimination, harassment, exclusion and marginalisation; and that actively seeks to challenge historic and present underrepresentation in the field of theatre and performance training and study.*

1. Distinctive and Transformative Education and Training

*Playing a leading role as a small specialist institution in the performing arts.*

1. Research, Scholarship and Knowledge Exchange

*Thinking, Making, Doing: Critical dialogues through Research and Knowledge Exchange ensuring the sustainability of our expanding research culture.*

1. Sustainability and the Performing Arts

*Growing our work and our business to remain financially sustainable by diversifying our income streams to invest in learning, teaching and student experience.*

1. Infrastructure and Environment

*Building an inspirational environment and efficient and effective infrastructure to support our student and staff community.*

* 1. Challenges to the School over the next period of the plan include:

1. continuing need for both estate and digital systems infrastructure development with limited available capital funding;
2. continued public-sector austerity throughout the planning period including:
   * Adjustments to government funding that continue to strip money out of the HE sector in general including reductions in grant income for non-STEM subjects and the removal of the London Weighting,
   * Managing the effect of increased inflation on operating expenditure; and
   * Impact of increased student debt burden.
3. uncertain fiscal outcomes of the sector review of public funding for specialist world-leading institutions;
4. maintaining admissions rates for general ongoing financial sustainability;
5. industrial action across the sector and the ongoing cost of living crisis;
6. the possibility for the sector-wide implementation of minimum entry requirements for University entry in Maths and English or A level grades and the resultant challenge to widening participation and equitable access to HE for students with creative skills;
7. the ongoing need to further develop short course and business training activity to diversify income away from HE tuition fee reliance;
8. sustaining appropriate leadership and governance succession arrangements;
9. maintaining and enhancing high levels of student experience which are reflected in the NSS scores and student feedback;
10. maintaining and enhancing staff wellbeing with limited resource to invest in capacity; and
11. supporting staff and students in issues of equity and inclusion.

In dealing with these challenges the School continues to recognise the potency and effectiveness that stem from its small size, disciplinary coherence and the culture of commitment among its students and staff.

The School continues to develop and diversify its range, whilst maintaining its disciplinary-specific culture and customary high quality, promoting intensive engagement with specialist knowledge that can develop applications in new and testing contexts. It believes there are not just opportunities, but productive dialogues, in its relationships with specialist professions and with a diverse range of user groups.

* 1. Values

*Values are what we stand for, what we believe and what we try to live and work by. They inform our approaches to what we do and how we work as an inclusive organisation.*

##### Respecting

*Equality and Inclusion are fundamental to what we stand for. Respecting is about listening to and understanding each other as equals, empowering students and staff and being:*

* + - Socially responsible
    - Ethical and fair
    - Empathetic
    - Reconciling

##### Enquiring

*We look for new knowledge, skills and understanding through practice, teaching, research and scholarship. We are inquisitive, enthusiastic, open-minded, disciplined and thorough, supporting:*

* + - Artistic and intellectual curiosity
    - Academic freedom
    - A commitment to lifelong learning
    - Self-reflection and self-criticism
    - Restorative justice
    - Rigour

##### Innovating

*Whilst respecting the past, we look for the new. We are a hub in which growth and change can emerge to shape the future, creating:*

* + - * New ideas based on Research and Knowledge Exchange
      * Interaction with and shaping industry
      * A courageous environment and taking risks
      * Space for new and unexpected ideas
      * A playful and joyous ethos
      * A more sustainable world

##### Sharing

*We are an outward-facing community that seeks to enrich the society that we live in, embracing:*

* + - * Transparency and honesty
      * Collaboration and partnership
      * A commitment to Community
      * Communication and external engagement
      * Extensive outreach

1. PERFORMANCE REVIEW 2021/22

The pandemic and the current economic environment continue to impact the transition to full recovery. The later start of the 2020/21 MA Acting and MA Musical Theatre cohort resulted in the deferral of tuition fee income to 2021/22 distorts the 2022 results. The lower intake of undergraduate students in 2021/22 will have a three-year impact. Although there are signs of recovery, short course and business training income will take time to build to pre-Covid levels. Covid has significantly hampered short course and business training activity. On site activity has now resumed. In addition, short courses and business training has continued to offer courses online with some success. A summary of performance outcomes during 2021/22 is included within the Report of the Board and Executive and Public Benefit Report within these financial statements.

1. FINANCIAL REVIEW

The Financial Statements for the year ended 31 July 2022 show the group position for Central and include the results of CSSD Enterprises Limited, a subsidiary company. The principal activity of

CSSD Enterprises Limited is to operate the student bar during the year, which reopened in September 2021 following a period of closure due to the Covid pandemic.

The School is reporting a current year deficit of £1.05m, where income has increased by 9.1% to

£20.6m and expenditure has increased by 6.7% to £21.5m when compared to prior year. The increase in income resulted from an improvement in tuition fees, Research grants, donations, and other operating income. The deficit of £1.1m (before actuarial gains) represents a small improvement on the prior year loss of £1.2m as we begin to recover from the COVID-19 pandemic. The position is significantly improved by the valuation of pension scheme as at 31 July 2022 which reflects £14.3m actuarial gains.

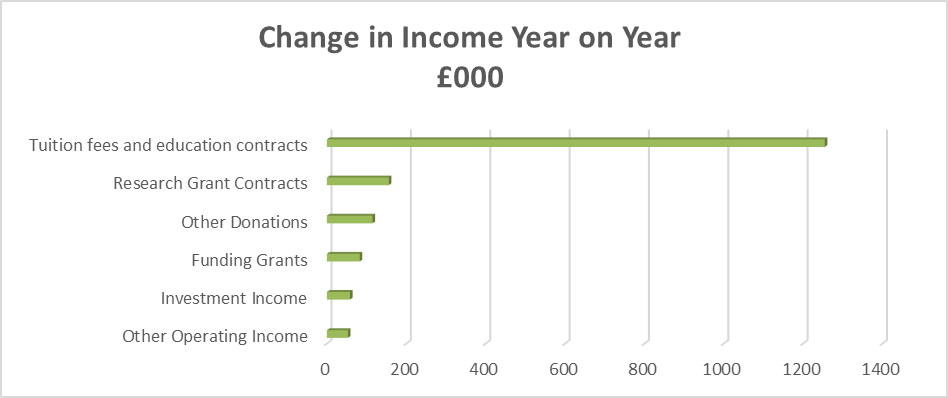
The actuarial gains are due to a major improvement in financial assumptions underpinning the valuation of the net pension assets. Therefore, actuarial gains of £14.3m are allocated to the comprehensive statement of income and expenditure resulting in a total comprehensive income of £13.3m for the year.

It should be recognised that these actuarial gains represent the value as at a certain point in time, the nature of actuary valuation dictates that fluctuations of this nature (positive and negative) will occur.

A summary of the Group Statement of Comprehensive Income and Expenditure is shown below:

|  |  |  |
| --- | --- | --- |
|  | **Year ended 31 July 2022** | **Year ended 31 July 2021** |
|  | **£000** | **£000** |
| Income | 20,553 | 18,834 |
| Expenditure (including endowment transfer) | (21,474) | (20,148) |
| Loss on Disposal of Assets | (93) | - |
| (Loss)/gain on investments | (33) | 82 |
| Deficit for the year | (1,047) | (1,232) |
| Deficit % income | -5.1% | -6.5% |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Income Summary** |  | **2022** | **2021** | **2020** | **2019** | **2018** |
|  |  | **£000** | **£000** | **£000** | **£000** | **£000** |
| **Tuition fees and education contracts** |  | **12,561** | **11,307** | **12,134** | **11,795** | **11,686** |
| **Funding Grants** |  | **6,141** | **6,058** | **5,986** | **5,971** | **6,161** |
| **Research Grant Contracts** |  | **638** | **482** | **470** | **380** | **133** |
| **Other Operating Income** |  | **521** | **467** | **839** | **538** | **633** |
| **Investment Income** |  | **104** | **46** | **110** | **217** | **56** |
| **Capital Donations** |  | **-** | **-** | **8** | **469** | **26** |
| **Other Donations** |  | **588** | **473** | **283** | **372** | **446** |
| **Total Income** |  | **20,553** | **18,833** | **19,830** | **19,742** | **19,141** |



Tuition Fee and education contracts income including short courses and other fees has increased by £1.3m compared to 2021.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Tuition Fees & Education Contracts Income** | |  | **2022** |  |  | **2021** |  |  | **Variances** |  |
| **£000** | **No.s\*** | **%** | **£000** | **No.s\*** | **%** | **£000** | **No.s** | **%** |
| **Full-time undergraduate** | | |  |  |  |  |  |  |  |  |
| - Home |  | 4,923 | 543 | 39.2% | 4,900 | 543 | 43.3% | 23 | - | 0.5% |
| - EU |  | 460 | 47 | 3.7% | 612 | 65 | 5.4% | (152) | (18) | (24.9%) |
| - Non EU |  | 1,507 | 71 | 12.0% | 1,572 | 76 | 13.9% | (65) | (5) | (4.1%) |
| **Full-time postgraduate** | | |  |  |  |  |  |  |  |  |
| - Home |  | 2,151 | 223 | 17.1% | 1,334 | 162 | 11.8% | 817 | 61 | 61.3% |
| - EU |  | 161 | 20 | 1.3% | 300 | 36 | 2.7% | (139) | (16) | (46.4%) |
| - Non EU |  | 2,412 | 168 | 19.2% | 1,740 | 138 | 15.4% | 672 | 30 | 38.6% |
| **Part-time Postgraduate** | | |  |  |  |  |  |  |  |  |
| - Home |  | 299 | 67 | 2.4% | 258 | 65 | 2.3% | 42 | 2 | 16.2% |
| - EU |  | 8 | 1 | 0.1% | 17 | 4 | 0.2% | (9) | (3) | (53.2%) |
| - Non EU |  | (1) | 1 | 0.0% | 11 | 1 | 0.1% | (12) | - | 100% |
| **Total tuition**  **fees** | | **11,920** | **1,141** | **95.0%** | **10,744** | **1,090** | **95.0%** | **1,177** | **51** | **13.6%** |
| Short course and other fees | | 642 |  | 5.0% | 563 |  | 5.09% | 78 |  | 13.9% |
| **Total** |  | **12,561** | 100% | **11,308** | 100% | **1,254** |  | **11.1%** |

*\* Numbers exclude students with fully waived fees (2022: 2, 2021: 4)*

The table above highlights the fact that most of the increase in the tuition fee and education contracts (including short courses) income category sits within tuition fees. The highest increase is within the Home and overseas postgraduate student classifications generating an increase of

£0.8m and £0.7m respectively year on year.

Short courses and other fees are up £0.08m when compared to 2021, illustrating the steady recovery of this income stream which has been badly affected by the pandemic.

Funding body grants increased by £0.08m from 2021 to 2022. This increase is primarily due to increased Research England specific grants and Covid test centre costs reimbursements from the Department of Education. Funding Body Grants as a proportion of total income is 30% of total income a slight decrease on the prior year which was 32%.

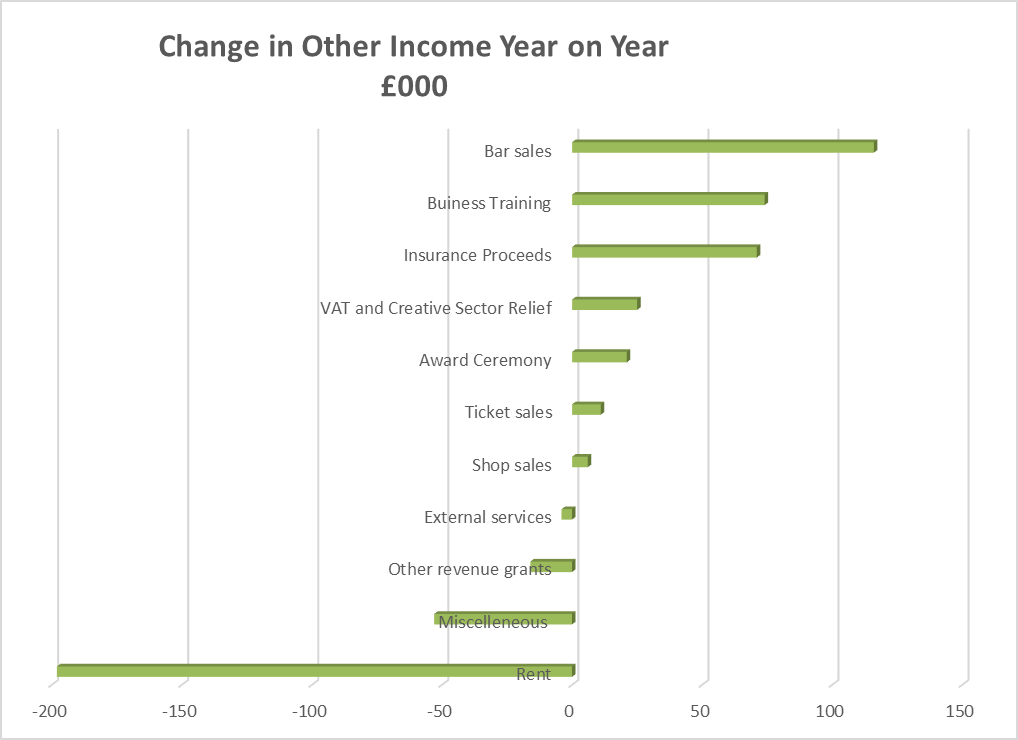
Research grants and contracts income is up £0.16m on the prior year. This income released in year relates to 14 Research projects. Much of our research operates at the intersection with industry and is realised with partners from a range of sectors, including theatres, film bodies, local authorities, NGOs, charities, cultural festivals, and the museum sector. In 2022 Central received

£0.55m (2021 – 0.85m) of project funding from UKRI, British Academy, Lottery Fund, Leverhulme and the AHRC.

Donations have increased by £0.12m from 2020/21 mainly due to fundraising success within the scholarships and bursaries and student experience categories.

Endowment and investment income is £0.06m up on the prior year due to improvements in interest earnings on short term deposits and unrealised exchange gains.

Other income is up £0.05m on the prior year.



The bar reopened in September 2021 after being closed since March 2020. The School continues to see progress in its recovery from the effects of pandemic.

The significant decline in rent is as a result of surrendering the lease and sub lease on Bankside (Emerson Street) in May 2020.

Total expenditure has increased by 6.7% from 2021, driven through increased staff costs, operating expense, and interest.



Expenditure on staff costs remains the highest cost item, representing 65% (2021 – 67%) of total income. Although staff costs are up 5.7% (£0.7m) on the prior year, this increase masks savings achieved from the deferral of recruitment on vacant positions previously expected to be filled at the beginning of the year. The increase is due to exceptionally high pension service costs of £1.9m,

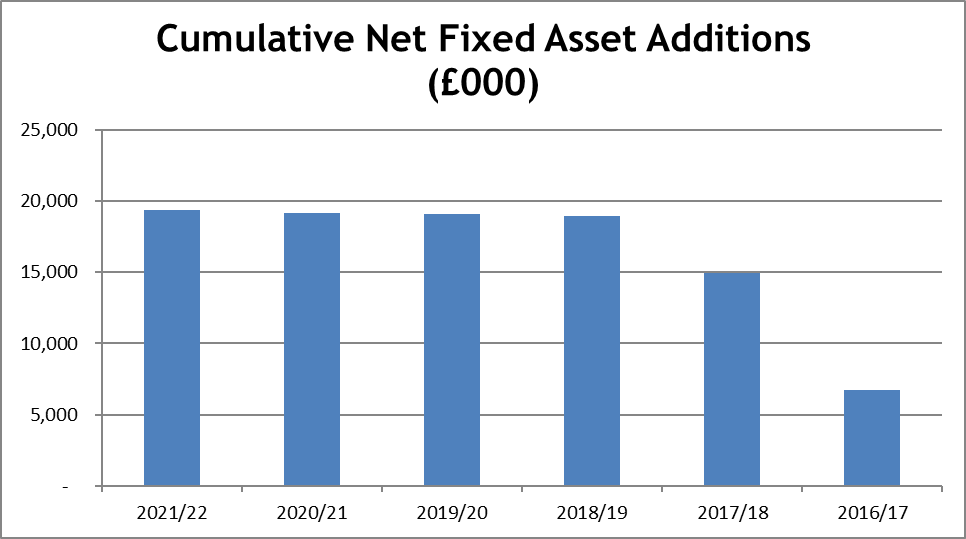
£0.4m higher than the prior year. Staff costs increases were influenced by additional pension provisions as a result of the 2022 LPFA pension revaluation and planned appointments to vacant positions.

Other operating expenses for the year 2021/22 have increased by £0.7m when compared to 2020/21. There were increases within bursaries, computer maintenance contracts, cleaning, and planned building maintenance. However, costs were contained in-year through planned reduced and deferred expenditure within travel, utilities, facilities hire, and print and stationery.

The recovery from the impact of COVID-19 continues with an improvement in the School’s deficit position. The current year deficit of £1.05m shows an improvement of £0.4m on the prior year deficit of £1.2m in 2020/21.

Capital Projects

Capitalised costs of £0.15m incurred during the year comprised computer and media equipment.



Cash Management

Cash and cash equivalents (note 19) plus short-term deposit balances (note 13) at the end of the year stood at £19.0m, up £1.4m when compared with prior year and represents the equivalent of 343 days of expenditure. A net cash inflow from operating activities of £2.7m was generated in year.

The Treasury Management Policy of the School reflects a low appetite for risk, where liquidity and capital preservation represent the two essential criteria guiding cash management. Diversification of funds across a range of highly rated banking institutions was also employed to reduce exposure to counter-party risk. The Treasury Management Policy is currently under review to ensure it reflects a best value strategy. The policy will be confirmed when the outcome of the review of HE funding is known.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Royal Central School of  Speech and Drama | | Sector |
|  | 2021/22 | 2020/21 | 2020/21 |
| Current Ratio | 3.6 | 3.2 | Not available  168  13.4%  38% |
| Net Liquidity (Days) | 339 | 339 |
| Cash flow from operating activities as % total income | 13.0% | 13.8% |
| External Borrowing as % of total income | 37% | 40% |

Key Financial Indicators *(Source: OfS Financial sustainability of higher education providers in England OfS 2022.32 June 2022)*

The preceding financial indicators represent a healthy liquidity position for the School, the Current Ratio remains the same and External Borrowing is 37% of total income. The bank loan facility of £8.7m was fully drawn down in May 2018.

Central entered into a new bank loan facility of £8.7m in May 2016 to part-finance the £16.7m Phase 5 Development after obtaining consent from the Higher Education Funding Council for England (HEFCE) the funding body in force at that time for an increased financial commitment threshold. The £8.7m loan is for a 20-year period at a blended fixed rate of 3.085%. Net Liquidity (Days) of 339 for the School, the same as the prior year and remains significantly better when compared to the sector mean of 168 days. Cash flow from operating activities is up but slightly down as a percentage of total income when compared against prior year (2022 £2.7m / 2021

£2.6m), driven predominantly through a decrease in debtors and an increase in pension provisions.

Pensions

The School participates in two schemes, the LPFA superannuation scheme which is a local government scheme in London and is managed by the London Pensions Fund Authority and the Teachers’ Pension Scheme (TPS). Both schemes are multi-employer and defined benefit schemes.

The TPS provides pensions to teachers who have worked in schools and other educational establishments in England and Wales. The scheme is an unfunded statutory public service pension scheme with the benefits underwritten by the Government. The scheme is financed by payments from the employer and from those current employees who are members of the scheme who pay contributions at different rates which depend on their salaries. The rate of employer contributions is typically set following an actuarial valuation.

As a result of the latest scheme valuation as at 31 March 2016 employer contributions were increased in September 2019 from a rate of 16.48% to 23.68%. The next valuation, based on data as at 31 March 2020, is underway and any changes to contributions will take effect in April 2024. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses. The TPS is unable to identify the School’s share of the underlying assets and therefore is accounted for as a defined contribution scheme in the accounts in accordance with the relevant reporting standard Financial Reporting Standard 102 (section 28).

The LPFA scheme currently shows an FRS 102 deficit of £3.0m for the School, representing an decrease from a deficit of £15.2m reported at the previous year end. The £3.0m liability reflects changes in assumptions underlying the present value of the fund’s obligations compared to the fair value of scheme assets as at 31 July 2022. The present value of the fund’s obligations for the School has decreased to £21.7m, down £10.5m on the previous year. The fund’s assets in turn have increased by £1.7m to £18.7m.

The current employer rate of 14.8% was set for a 3-year period from 1 April 2020 to 31 March 2023.

The Actuarial valuation of the Fund to 31 March 2022 has taken place contributions for the period from 1 April 2023 to 31 March 2026 will be confirmed in November 2022.

The School’s share of the LPFA scheme deficit is reflected in the balance sheet in accordance with

FRS 102.

Future Outlook and Key Risks

In December 2022 the School will submit its 5-year forecast to the Office for Students (OfS) for the period up to 2026/27. These forecasts acknowledge on-going uncertainties across the sector such as:

* the continued effect of COVID-19 on student recruitment;
* the outcome of the Independent Review of Post 18 Education and Funding and the possibility of significant changes to higher education funding arrangements;
* OfS Review of Specialist Institution Funding and Teaching Funds;
* economic uncertainty remains particularly with Brexit and the long-term impact of the COVID- 19 pandemic;
* the outcome and impact of a Comprehensive Funding Review on higher education during the forecast period;
* regulated Under-Graduate Taught (UGT) tuition fees are currently the subject of much debate. Regulated fee levels have been frozen at 2017 levels in 2021/22 and will remain frozen at that level until 2024/25. The resumption of inflationary increases from 2025/26 may be under threat alongside the possible introduction of differential regulated fee levels;
* sustainability of specialist Post-Graduate Courses following the withdrawal of the PGT supplement combined with Brexit risks;
* the immediate in-year financial impact on the income and expenditure statement resulting from new regime student recruitment and withdrawals;
* higher staff costs including higher inflation leading to higher average pay levels beyond income uplift, pressure on the public sector pay cap, the apprenticeship levy and issues related to the long-term cost liabilities and the sustainability of current pension schemes outside of the control of Central;
* the proposed review on how Research Excellence Framework (REF) monies will be allocated in future years with possible increased selectivity and a possible return to the protection of STEM subjects;
* the outcome of the next Teaching Excellence Framework (TEF) and the introduction of the Knowledge Exchange Framework (KEF);
* concern about the withdrawal of the Student Disability Allowance (DSA) for certain categories with the expectation that institutions have a duty to make appropriate adjustments out of core funds. This may be a reasonable assumption for the average institution that may have an average of 11% of students in receipt of DSA. For arts institutions there is evidence that the number in receipt of DSA is much higher. For Central, this is usually around 25% of the student body; and
* the current limits of major capital grants for HEIs presenting real challenge in the financing of major capital builds.

Against this background, the School’s key Strategic Plan priorities, detailed in the Strategic Plan for the period to 2023, focus on:

* attracting and retaining high calibre staff and students that reflects our communities;
* teaching and research excellence;
* expanding Knowledge Exchange and Public Engagement;
* enhancing Equality and Inclusion through a curriculum and portfolio review;
* developing CDP and Youth Theatre;
* estate development and the development of digital technologies;
* enhancing environmental performance; and
* ensuring on-going sustainability.

Investment in the on-going sustainability of the School is clearly evident through the School’s investment in staffing costs and ambitious plans with regard to the estate investment plan evidenced through the completion of Phase 5 (North Block), all aimed at enhancing the teaching and learning environment and ultimately the student experience. The emphasis on surplus generation and the accumulation of surpluses to date enables the School to invest strategically in support of the Strategic Plan. As evidenced above, investment will take the form of both capital investment and additional recurrent spend. The £16.7m North Block investment is funded through a combination of an external loan facility, a Capital fundraising campaign and by drawing on internal reserves.

Financial sustainability underpinning the investment behind the School’s Strategic Plan has been fully tested and reflected in the seven-year financial forecasts (2 years’ actual results plus 5 years of forecast) to 2025/26 as submitted to the OfS.

To thrive Central plans its activities to ensure there is no risk of insolvency within a period of three years and has sufficient financial resources for a period of at least five years. Strategies to underpin viability and sustainability include:

* + the regular identification, impact and management of risks;
  + robust and realistic financial assumptions that are subject to scenario planning to stress test the impact on assumptions and agree contingency mitigations that would be required;
  + the setting of Financial Strategy targets to ensure the delivery of financial returns for sustainability;
  + maintaining adequate liquid reserves to meet any unforeseen contingencies and to navigate the dynamic and uncertain environment;
  + regular reporting including a monthly dashboard for tracking performance against KPIs and highlighting any new or emerging risks or trends; and
  + strong governance structure of challenge, review and monitoring.

The School is moving forward from a position of cumulative strength with a strong focus on long term financial sustainability, a healthy Balance Sheet despite increased debt and a high cash balance position with a good level of reserves and a good track record of generating surpluses. The School has therefore a reasonable expectation that adequate resources exist to continue operations for a period of 12 months from the date of approval of these financial statements, and

therefore the going concern basis continues to be appropriate for preparing the annual financial statements.

Risk Management

Risk management is conducted at both a strategic and operational level across the School. It is periodically reviewed by the Governing Body, Finance and Estates Committee, Audit Committee and the Strategic Management Team. The reviews consider the addition or deletion of risks and the reassessment of impact and probability as well as the adequacy of action being taken to mitigate risk. The high-level risk register includes certain items which are generic to the sector and not wholly within the School’s control. Risk management is supported by the internal audit programme, which takes a risk-based approach and provides assurance on the management of Central’s key strategic and operational risks.

There are five key risks to the financial health and sustainability of the School related to student recruitment. All risks are reflected on the School Strategic Risk Register:

* 1. reduction in the number of overseas student applications/acceptances resulting in loss of forecast income;
  2. higher than forecast level of withdrawals resulting in loss of tuition fee income and possible under-performance against the OfS contract;
  3. reduction in number of students from the EU area resulting from Brexit;
  4. the marginalization of creative arts within the school curriculum and the introduction of paid technical apprenticeships will reduce the supply of suitable applicants to some of Central’s specialist technical pathways; and
  5. a lower unit of resource or the reintroduction of student number controls impacting adversely on the current business model and ongoing sustainability.

The above risks highlight the potential for increased income volatility as a result of pressures on student recruitment, including increased competition for international students from other countries and a significant fall in part-time undergraduate and postgraduate numbers.

The School is responding to these risks by undertaking a combination of the following actions:

1. further development of a proactive marketing strategy;
2. regular monitoring of student withdrawals, and reasons thereof and optimising recruitment numbers to provide a cushion against future withdrawal;
3. continued investment in infrastructure and capital equipment;
4. reallocated duties to maximise effectiveness of the marketing strategy;
5. investing in website, press and social media enhancements to seek a competitive edge to attract students worldwide and facilitate a more proactive press and social media campaign to correct any false reporting, highlight good news stories and promote the School’s achievements;
6. development of Scholarships and bursaries to attract and support high quality applicants;
7. maintaining quality teaching;
8. development of online short courses;
9. reviewing curricular offer and student mix;
10. investment in student support and advisory services; and
11. continued focus on environmental issues.

Other key risks identified by the School and logged on the School Strategic Risk Register include:

1. unsustainable pension schemes resulting in significant pension scheme liabilities;
2. insufficient on-site or off-site physical space of good quality to meet operational requirements;
3. long-term economic impact of COVID-19 on Higher Education;
4. effects of continued austerity within the Higher Education sector; and
5. inherent inflexibility of the business model and the very long lead time for change to take effect.

# PUBLIC BENEFIT

Central is an exempt charity under the terms of the Charities Act 2011. In setting and reviewing the School’s objectives and activities, the Board of Governors has due regard to the Charity Commission’s guidance on the reporting of public benefit, and particularly to its supplementary guidance on the advancement of education.

In pursuit of its vision and mission (as stated above), the School delivers its annual objectives through a range of activities that deliver substantial public benefit – primarily education and training, research, widening participation and access, and public and community engagement.

Education and training

As a small, specialist higher education institution and a conservatoire for training in the theatrical and performing arts, Central’s wide portfolio offers evening courses, diplomas and summer schools in addition to our extensive programme of undergraduate degrees, MA/MFAs, and research programmes. The School has internationally recognised expertise in the areas of drama education and pedagogy; acting and actor-training; technical theatre and technical production management; applied and social theatre; directing, directors, stage management, scenography and design; voice; movement; drama therapy; and cultural histories of performance.

There are 70 members of permanent academic staff at Central who lead and work on the thirty BA and MA/MFA courses, involving around 1,050 to 1,100 students each year. Crucially, much of Central’s teaching operates at the intersection with industry and is realised with partners from a range of sectors, including theatres, local authorities, non-governmental organisations, charities, educational institutions, cultural festivals, and the museum sector; these partners are based in the UK and in many other countries around the world.

In 2021/22 scholarships and bursaries totalling £574,932 was awarded to 272 students. Industry connections for all students are at the heart of Central's mission, and the one-to-one, bespoke approach sets the School apart from other higher education or theatre training

establishments. There are a wide variety of placements undertaken by students at Central with

a constantly expanding number of partnership organisations. Over 250 students received individual or group-based work experience in the 2021-22 academic year. For example, 60+ BA Drama, Applied Theatre and Education students completed placements at 50+ organisations, including the Young Vic, the BFI and the NHS. An added benefit of placements such as these is that students graduate from Central with a broad network of industry contacts, making them better placed to advance their careers.

Courses not involving placements benefit from an extensive roster of visiting professionals, who teach specialist skills and lead or work alongside students on creative projects. Where appropriate, leading agents and casting directors attend student productions and showcase events.

During 2021-22, Central continued its work committed to tackling institutional racism and

exclusionary practices, highlighted by the BLM and #MeToo movements. through a number of projects, channels and appointments. These include the Repairing the Curriculum and Portfolio Review projects – both interfacing with our Independent Equity Panel – to bring about structural and systemic change and positively impact the lives of staff and students and all Central stakeholders. Work in this domain is also supported through the appointment of Kim Myers as EDI Manager.

Our Principal, Josette Bushel-Mingo OBE, continues to represent both Central and the arts sector at large through her public and civic engagement, including a regular monthly column in The Stage, interviews with the Guardian, the BBC with Mariella Frostrup, Drama & Theatre Magazine, Arts Professional, and Times Higher Education Magazine. Her openness as to the challenges we face, and the vigour and authenticity of her clarion call are a significant contribution to the public debate and discourse around our disciplines, HE and the arts in the UK. Josette brokered a recent MoU with the Hampstead Theatre – our close ally and neighbour – offering further evidence of engagement in and benefit to public life beyond the institution.

Central’s work and academics were also profiled throughout the year in The Guardian, Times Higher Education Magazine, The Stage, in Sight & Sound (the BFI Magazine), by BBC News, Broadway World, Spotlight, and have appeared on the BBC Radio 4’s Woman’s Hour, on the New Thinking Podcast and presented BBC Radio 3’s Free Thinking.

Widening participation and access

Central is committed to recruiting and training a diversity of students in all of its undergraduate courses. Through outreach work, the school creates opportunities for young people to experience drama training and develop the skills, knowledge and understanding to access higher education.

It offers targeted support to remove barriers that might prevent young people from learning about, accessing or affording training at Central. This includes:

* aspiration-raising workshops for Year 12 and 13 students studying drama and/or art and design courses;
* visits to primary and secondary schools to present projects, productions, workshops and activities;
* free tickets to all Central productions (including post-show Q&As with cast and backstage crew) and access to our Theatre Practice Exhibition;
* collaborative outreach projects with a range of partners, including Generation Arts, The Curve Theatre, Camden Summer University Programme, Hampstead Theatre, Backstage Niche, Oldham Theatre Workshop, LGBT+ youth organisation The Proud Trust, Greater Manchester Youth Network, Homes for Haringey, and Positively UK, a charity for young people living with or affected by HIV;
* free audition vouchers to prospective students applying for the BA Acting programmes who may otherwise be put off applying because of the cost of auditions. In 2021/22, 217 free auditions were awarded;
* scholarships and bursaries to approximately one-fifth of Central students, to help them cover tuition fees and living expenses. In 2021/22 scholarships and bursaries totalling

£271,162 was awarded to Home/UK students; and

* targeted efforts to increase the number of care leavers accessing higher education, with Central being one of the few drama schools to offer bespoke support for care leavers, in the form of bursaries, mentoring and a designated member of staff to offer guidance and support throughout their studies. In 2022 Central was the first small and specialist institution to be awarded the National Network for the Education of Care Leavers (NNECL) Quality Mark, recognising its enhanced support for care experienced students.

For further information, please see the link for Central’s approved access and participation plan:

<https://www.cssd.ac.uk/content/equality-and-diversity>

Short Courses

The School’s short courses programme has historically offered lifelong learning opportunities to individuals of all ages, from children and young people to adult learners and continuing professionals. Central was able to bring back in person youth and adult short courses for the 2021/22 academic year which were run alongside the online short courses created as a response to the impact of COVID-19.

In the 2021/22 academic year, 49 people participated in Diploma programmes, 236 people participated in in-person evening courses, 393 people participated in online short courses, and 68 people participated in in-person summer short courses. There were also 160 young people who participated in Saturday Youth Theatre.

Research

Research@Central explores contemporary practices of theatre-making and performance and their cultural histories and lineages. It encompasses a broad range of specialisms and fields: sonic and scenographic landscapes; applied, political, and social theatres; practices of acting and directing; and performance dramaturgies. Attendance to performance’s manifold genealogies and to the communities and audiences that performance engages is at the forefront of our research, in ways that advocate for theatre’s ongoing cultural, political, and social impacts. In addition to publications of books, articles, and book chapters, staff undertook journalism, podcasts and broadcasting; they delivered policy reports, masterclasses, workshops and seminars, performances, designs and exhibitions; they sat on boards as trustees and directors; they advised charities and other grant awarding bodies with panel membership and peer review. Knowledge was exchanged with virtual and, where possible, with physical audiences and participants, and often rooted in collaborations with a marked challenge-led agenda. REF 2021, the UK’s research assessment exercise conducted every six to seven years assessed Central’s research from the period 2014-2020 as 75% ‘world leading’ (4\*) with 19% internationally excellent (3\*), 6.6% at internationally recognised (2\*) and 2.4% at nationally recognised (12\*). Strengths were identified across all areas of assessment: environment (100% 4\*); impact 83.3% at 4\* and 16.7 at 3\*); and outputs 65.8% 4\*, 25% at 3\*, 6.6% 2\* and 2.6% at 1\*.

Competitive external research funding (£980k) awarded during 2021/22 has allowed Central to expand its collaborations and amplify the impact possibilities for our research. Awards include an Impact Acceleration Account from the AHRC (£150k per year for three years totalling £450k) to expand the public benefit of our research, a new Research Fellowship awarded by the AHRC totalling £244k for Professor Kate Elswit to develop work on digital dance histories, support from the Big Lottery for Ben Burrata’s Outbox company, and five smaller awards (from the AHRC, MRC, and the British Academy) for academics as co-investigators on work around young people, social care, mental health, dementia and applied performance. Professor Christopher Balme of Ludwig-Maximilians-Universität Munich (LMU) joined Central as international professor, funded by LMU for two years to direct a project on the impact of covid on theatre in Britain and Germany where he is collaborating with a postdoctoral researcher (Dr Roaa Ali 2021/22, Dr James Rowson 2022/23) and Central’s Professor Tony Fisher. Arts Council England (ACE) funding supported a range of ventures including Dr David Shearing’s ‘The Rising Sun’, a community centred, design- led research documenting the voices of nearly 100 people in the London Borough of Havering, mapping the histories, identities, and futures of the 11th fastest changing borough by demographic in the country. Central’s associate artist, theatre company Fevered Sleep, an ACE National Portfolio Organisation, presented We are not finished, co-directed by Professor David Harradine, at The Place in London in November 2021.

Participatory research projects in South Africa and India focused on questions surrounding gender-based violence, women’s health care, sanitation and precarious housing with an Emancipatory Action Research (EAR) guide to ethical and sustainable research forthcoming from the research team involved. Awarded the Transformative Research Prize by TAPRA (September 2022) ‘Outcomes for survivors of modern slavery and human trafficking who return to the Philippines’ built on a 4-year working relationship between lead researcher, Dr Ella Parry-Davies, and grassroots organisation, The Voice of Domestic Workers (VODW), which has prioritised co- creative research methodologies grounded in performance praxis, directed towards social and policy change. The project investigated outcomes for survivors of modern slavery and human trafficking who return to the Philippines as their country of origin, contributing to ‘country of origin information’ that the Home Office, judges and policy makers rely on when making decisions about survivors’ leave to remain in the UK.

Dr Diana Damian Martin’s work with Migrants in Culture, has generated a year-long programme of workshops, a national symposium commissioned by ACE and peer mentorship programme working towards a national digital resource platform for migrant culture workers, culture organisations, migrant organisers and HE researchers. The project led to engagement between the cultural sector (IncArts, Something to Aim for, People Make it Work, Healing Justice), migrant social justice organisers, academic researchers, and policymakers (ACE, DCMS).

Professor Bryce Lease joined Central as Head of Knowledge Exchange in May 2022 with a clear remit to embed Knowledge Exchange firmly within the institution. A grant of £200k from Research England allowed for investment in 12 projects in which Central staff collaborated in practice-led projects with partners such as the National Trust, Manchester Jewish Museum,

HIV/AIDS charity Positively UK, and the Royal National Theatre, from Ben Naylor’s collaboration with Spain’s Jóvenes Clásicos on the delivery of text in Shakespeare to Dr Nicola Abraham’s new collaboration with Public Health Wales, disseminating a series of masterclasses to senior NHS staff across 7 health boards in Wales and building on the work with the specialist dementia team at the Imperial College Healthcare NHS Trust to develop and deliver combined theatre and film- based interventions to acute settings including medicine for the elderly wards, acute trauma wards and dialysis wards, and assisted living/care home settings to support people living with dementia in the community. David Harradine worked with Fevered Sleep on the government’s ‘Levelling Up for Culture’ plan, forming a network of partners across the UK to develop a range of strategic audience development, public engagement and participation activities that seek to overcome barriers to engagement in areas where arts engagement has historically been low.

Dr Duska Radosavljevic’s Aural/Oral Dramaturgies project, supported by the AHRC, was awarded the 2022 Elliott Hayes Award for Outstanding Achievement in Dramaturgy by the Literary Managers and Dramaturgs of the Americas (LMDA) and 2022 American Theatre in Higher Education and American Society for Theatre Research Excellence in Digital Scholarship Award at the annual ATHE conference in Detroit for being an ‘exemplar of digital scholarship’ which ‘moves the field forward’. A knowledge exchange collaboration as part of Dr Abraham’s project on collaboration on enhancing wellbeing for patients with dementia between Whitefield School, Imperial College Healthcare NHS Trust and Central was a Silver Winner of the Impact and Partnership National Pearson Education Awards 2022. The project was also a named finalist in the TES Awards: Community Engagement Initiative of the Year (2022), with three team members Drama Inspiration Finalists for the Music and Drama Education Awards and the intergenerational project a further finalist for the Outstanding Drama Initiative for the Music and Drama Education Awards 2002.

Research events hosted by Central involved live, hybrid and online activities reached an audience of 1206. Speakers included Dr Clive Nwonka (UCL) on data, diversity and the question of race and casting in the UK film industry; Dr Rachel Hann (Northumbria University) on recent trans performance in the UK; Dr Shane Boyle (Queen Mary University of London) on the grounding of Ever Given and performances of salvage spectacle; Professors Yvette Hutchison (University of Warwick) and Rosanne Kennedy (Australian National University) and Zimbabwean playwright Getrude Vimbayi Munhamo-Pfumayaramba on the African Women Playwright Network and mothers and grandmothers in activist movements for post-colonial redress and justice; Robert Bowman and Dino Fetscher in conversation with Sinéad Rushe on their roles in the National Theatre production of Larry Kramer’s The Normal Heart, and Professor Julian Meyrick (Griffith University Australia) on the impact of Covid-19 on the evaluation of arts and culture in Australia. Central and the Society for Theatre Research hosted an open panel discussion for the annual Edward Gordon Craig Lecture with representatives from Scene/Change, including Set & Costume Designer, Soutra Gilmour, Designers, Simon Kenny and Miriam Buether and Design Associate, Ruth Hall. ‘The Pushing Culture into Politics’ symposium (led by Dr Tom Cornford) had Professor Gargi Bhattacharyya (University of East London) as a keynote. The annual Intersections conference, curated by postgraduate researchers, with a keynote address by Emma Dowling (University of Vienna), addressed the numerous

relationships between crisis and care and asked how a focus on spaces of performance can enable us to engage them with greater clarity. Central’s doctoral students also curated ‘Collisions’, a festival of practice research, hosted online across two days in September 2021. Here challenges of adapting practice to hybrid and safe models and contacts served as a way of reflecting research for an uncertain future. Central’s research degrees programme is also enriched by membership of the AHRC London Arts and Humanities Partnership (LAHP2) doctoral consortium through training opportunities and fora. Of the seven students who registered for the research degrees programmes over 2021/22, five received full scholarships funded by the AHRC LAHP consortium. The research degrees programme remains core to Research@Central – offering a space for the cultivation of individual projects that ask questions of the ways in which theatre is made and engaged with across different national and international contexts in the twenty-first century.

# STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

Governance and Delegated Authority

The Articles of Association require the institution to have a Governing Body and an Academic Board, each with clearly defined functions and responsibilities, to oversee and manage its activities.

The Governing Body has overall responsibility for the management of the affairs of the School and is unambiguously and collectively accountable for institutional activities.

The Academic Board has responsibility for research, scholarship, teaching, and development of academic activity. In accordance with the Articles of Association it is chaired by the Principal and comprises staff and student members. An independent Governor attends meetings as an observer in the capacity of academic link Governor.

*Governing Body Recruitment and Development*

The Governing Body has determined maximum membership numbers of nineteen, of whom up to fourteen will be external independent lay members. The Governing Body comprised fifteen members on 31st July 2022, including two staff and two student governors. One independent Governor was appointed at the annual general meeting on 18th July 2022 to fill a vacancy left by independent governors concluding their terms of office, and to ensure an appropriate continuing mix of diversity and skills within the Governing Body. The School’s Principal is an ex-officio Governor. Professor George Caird, Interim Principal stepped down from the Governing Body on 15th August 2021 and was replaced by the incoming Principal Josette Bushell-Mingo OBE with effect from 16th August 2021. Principal Josette Bushell-Mingo OBE remained in place as Principal, ex- officio governor and accountable officer as at 31st July 2022.

The Chair of Governors throughout the year was John Willis, with Menna McGregor as Deputy Chair until her retirement at the Annual General Meeting on 18th July 2022. Alan Haigh, Chair of Audit Committee, was assigned the role of senior independent governor (SIG) and also retired from the Board at the AGM on 18th July 2022. Independent Governor Daniel Chan was resultantly appointed Chair of the Audit Committee and senior independent governor with effect from 18 July 2022. Members of the Governing Body may serve for up to three terms of three years. The Chair of Governors may serve for a maximum of three terms of four years. Exceptionally, and on a resolution of the majority of Governors, a Governor may serve for a fourth term. Provision is made for the appointment of co-opted members.

Central continually seeks to widen the diversity of its Governing Body membership in order that its Board is representative of the communities it serves. The Nominations Committee regularly reviews the mix and skills of the Governing Body in order to identify gaps and consider ways of attracting appropriate candidates and maintaining a diverse and effective membership. As at 31st July 2022, 47% of Central’s Governing Body had declared a Global Majority ethnicity (other than

“white”). Regarding the Board’s balance of gender identity, 67% identified as ‘male’ and 33% as ‘female’. The age distribution of the Governing Body is varied, but it is acknowledged that a higher proportion of governors under the age of 45 would bring more perspective to the Board: 46% of governors between the ages of 45-64, 27% are over 65 and a combined 27% are under the age of

45. Diversity rates in regards to sexual orientation among Board members are captured when disclosed and are felt broadly to mirror those of the wider community.

The Governing Body has made significant progress as a diverse, intersectional and representative trusteeship function, however continues to face the challenge of fluctuations in representation across different categorisations due to the periodic changes in membership as terms of office expire. Various external platforms and mechanisms are being utilised to widen the search for members from diverse communities and underrepresented groups. Post year-end, a recruitment search exercise remains ongoing overseen by the School’s Nominations Committee to appoint two new independent governors to the Board. This is hoped to further increase diversity within the Governing Body.

Due diligence is undertaken on all new Governors, including assessment of skills, experience and time commitment available; follow-up of references; ensuring compliance with the HMRC ‘fit and proper person’ checklist’ and completion of a register of interests. The Governors’ register of interests is regularly updated and publicly available on the Governance section of Central’s website. No conflicts of interest have been revealed by review of returns for the current year. Appropriate and proportionate due diligence is also undertaken on the School’s President and Vice-Presidents, who although not Directors are Members of the Company under the provisions of its Articles of Association, and represent the reputation and values of the School externally.

All Governors receive induction to address particular needs based on their existing knowledge and experience and Central provides continuous development opportunities to meet individual requirements, recognising the wide range of backgrounds and skills held. Alongside the various opportunities to attend events and conferences relating to Central’s specialist provision and the HE sector more generally, training and workshops for Governors has included Sexual Harassment Awareness; Inclusion; Unconscious Bias, and Anti-Racism.

##### President and Vice Presidents

In accordance with the School’s Articles of Association, the Governing Body may appoint a President and Vice Presidents of the School who are Members of the Company. At the Annual General Meeting on 18th July 2022, Members of the Company unanimously voted to elect Sonia Friedman OBE as President of the School, with effect from the retirement of Michael Grandage CBE from this office post-year-end. Members also voted to appoint four Vice-Presidents of the School on recommendation of the designated Search Committee with effect post year-end.

##### Governing Body Conduct and Code of Governance

The Board of Governors of Central is committed to exhibiting good practice in all aspects of corporate governance and endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (*selflessness, integrity, objectivity,*

*accountability, openness, honesty and leadership*), and to comply with the *Higher Education Code of Governance* published by the Committee of University Chairs (CUC).

The Governing Body has adopted the six core values of Higher Education governance as set out in the HE Code of Governance (*September 2020*), which build upon the above principles of public life:

* Integrity: transparency, accountability, honesty, freedom of speech and academic freedom;
* Sustainability: financial and environmental;
* Inclusivity: equality, diversity, accessibility, participation and fair outcomes for all;
* Excellence: high-quality research, scholarship and teaching;
* Innovation and growth: social, economic and cultural; and
* Community: public service, citizenship, collegiality, collaboration.

The Governors have applied the six elements underpinning the Code’s values in the year ended 31st July 2022:

* *Accountability:* The governing body is collectively responsible and accountable for institutional activities, approving all final decisions on matters of fundamental concern within its remit;
* *Sustainability:* Working with the Executive, the governing body sets the mission, strategic direction, overall aims and values of the institution. In ensuring the sustainability of the institution the governing body actively seeks and receives assurance that delivery of the strategic plan is in line with legislative and regulatory requirements, institutional values, policies and procedures, and that there are effective systems of control and risk management in place;
* *Reputation:* The governing body safeguards and promotes institutional reputation and autonomy by operating in accordance with the values that underpin this Code, its various elements and the principles of public life;
* *Equality, inclusivity and diversity:* The governing body promotes a positive culture which supports ethical behaviour, equality, inclusivity and diversity across the institution, including in the governing body’s own operation and composition. This includes ensuring under-representation and differences in outcomes are challenged and, where practicable, corrective action is taken to ensure fair outcomes for all; and
* *Effectiveness:* The governing body ensures that governance structures and processes are robust, effective and agile by scrutinising and evaluating governance performance against this Code (and other Codes where an institution’s constitutional form requires it), and recognised standards of good practice.
* *6 – Engagement:* Governing bodies understand the various stakeholders of the institution (globally, nationally and locally) and are assured that appropriate and meaningful engagement takes place to allow stakeholder views to be considered and reflected in relevant decision-making processes.

The Governors have applied the Audit Code of Practice. Governors have also sought to apply *The Higher Education Senior Staff Remuneration Code* revised and republished by the CUC in November 2021. The Governing Body has adopted the three elements of fair and appropriate remuneration and the supporting principles. Post-year end and following in-year recruitment of senior postholders to a near-full complement, the School is in the process of undertaking a full pay equality audit in order that a statement of full application of all three elements of the Remuneration Code can be applied.

##### Review of Effectiveness

The Governing Body undertakes periodic Effectiveness Reviews. An external review was undertaken in 2021-22 focussing on the School’s methods for governing ongoing compliance with regulatory conditions. Resultantly, the School’s approach to assuring the Governing Body around compliance with each of the Office for Students’ ongoing conditions of registration has significantly matured, with recommendations supported by the School’s Nominations and Audit Committees. The next external review of governance effectiveness is due to be held in 2024. The Academic Board also undertakes periodic effectiveness reviews and the last review was undertaken in 2018.

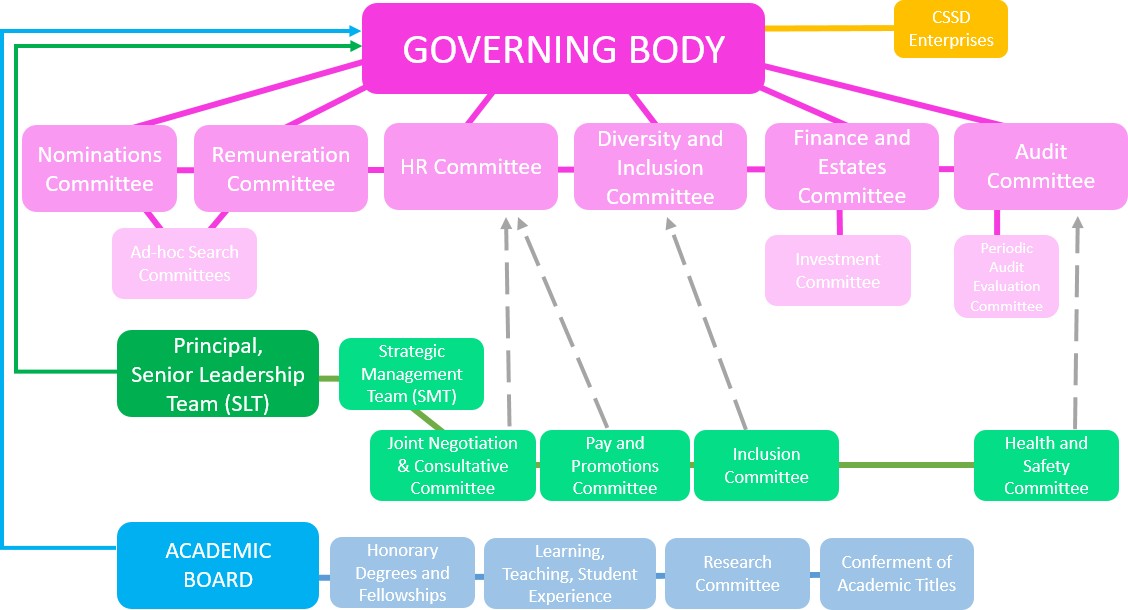
A regular schedule of periodic committee effectiveness reviews is also in place to assure the Governing Body of the effectiveness of its arrangements and in support of compliance with the CUC Code. In the 2021-22 financial year, a self-assessment effectiveness review of the School’s Finance and Estates Committee was undertaken resulting in recommendations taken forward by the Chair.

##### Summary of Delegated Authority Governing Body

The matters specifically reserved to the Governing Body for decision as set out in the Articles of Association include: the determination of the educational character of the institution; the approval of annual estimates of ‘income and expenditure’; ensuring the solvency of the institution and the safeguarding of its assets and for maintaining a sound system of internal control. Much of the detailed work of the Governing Body and Academic Board is initially scrutinised by Committees established for this purpose in accordance with specific delegated authority incorporated within each committee’s terms of reference. The Schedule of Delegation incorporated within the Corporate Governance Framework defines the approved level of authority.

##### Governance Committee Structure

The following diagram outlines the committee structure in relation to corporate and academic governance in place during 2021/22. Revisions are in the process of being implemented in 2022/23.



The key Governing Body Committees include:

* Audit Committee

Meets with external and internal auditors to review audit findings; review the financial statements and accounting policies; monitor regulatory adherence; review effectiveness of health, safety and wellbeing arrangements; review risk management controls; review value for money arrangements; and monitor quality assurance of data.

* Diversity and Inclusion Committee

Provides assurance to the Governing Body in relation to the effective promotion and progression of equality, diversity, participation and inclusion across the institution and compliance with legislation covering rights of staff, applicants, students and governors not to suffer discrimination.

* Finance and Estates Committee

Monitors finance and estates matters and, inter alia, recommends to the Governing Body the annual revenue and capital budgets; monitors performance in relation to the approved budgets; reviews detailed financial statements and recommends to the Governing Body for adoption and publication, reviews the management of significant risks and reviews investment strategy and performance.

* Human Resources Committee

Provides assurance to the Governing Body in respect of the effective policies, processes and procedures in relation to employment and pay and conditions of staff.

* Nominations Committee

Reviews the balance of skills and experience needs of the Governing Body; considers arrangements for the identification and selection of new members and makes recommendations for new appointments.

* Remuneration Committee

Reviews the performance, and determines the annual remuneration, of senior post-holders; and reviews the remuneration policy of executive staff. The Chair of Governors chairs the Committee with the exception of business in relation to the Principal’s remuneration when the Deputy Chair of Governors/Chair of Human Resources Committee chairs proceedings. The following designated holder of senior posts fall under the remit of the remuneration committee in terms of the measure of remuneration and performance:

* Principal
* Deputy Principal/Clerk to Governors
* Vice Principal (Curriculum and Students)
* Vice Principal (Research and Knowledge Exchange)

At its autumn 2021 meeting, the Remuneration Committee approved a new Senior Structure in

alignment with Central’s strategic priorities in the period to 2023.

The Remuneration Committee also annually reviews the pay and performance of *senior managers*

at the School, to include:

* Director of Finance
* Director of Operations
* Academic Registrar and Director of Academic Services
* Director of Engagement and Enterprise
* Director of Learning, Teaching and Inclusion
* Search Committees

The Governing Body established two Search Committees with distinct terms of reference in the reporting year:

* Search Committee (Governors): established with delegated powers by the Nominations Committee to oversee arrangements and make recommendations regarding the search, selection and recruitment process for new independent governors to the School to fill vacancies left by established governors whose terms of office had concluded; and
* Search Committee (President and Vice Presidents): established with delegated powers by the Nominations Committee to oversee arrangements and make recommendations regarding the search, selection and recruitment process for a new President and Vice Presidents of the School in line with the Articles of Association.

A Search Committee established in the previous fiscal year to identify to consider the arrangements for the search of a senior academic to replace the prior Dean concluded its business in 2021-22 with the appointment of the Vice-Principal (Curriculum and Students) following the revision of the Senior postholder structure undertaken by the Remuneration Committee in-year.

All Governing Body committees are formally constituted with set memberships and terms of reference and comprise mainly independent members of the Governing Body, one of whom is nominated as Chair.

##### Principal and Accountable Officer

Prof. George Caird was interim Principal and Accountable Officer for the period 01st August 2021 – 15th August 2021. On 16th August 2021, Josette Bushell-Mingo OBE assumed Accountable Officer responsibilities following unanimous appointment as permanent Principal by the Governing Body at its meeting on 16th February 2021. The Principal has authority for the general organisation, direction and management of the institution and leadership of staff and is authorised to delegate powers to Senior Staff members subject to the limits of their own delegated authority. The Principal is directly supported in the discharge of their duties by the *Senior Leadership Team* which includes other designated senior postholders and meets regularly with defined Terms of Reference.

##### Governing Body Statement of Primary Responsibilities

In accordance with The Higher Education Code of Governance published by the Committee of University Chairmen (CUC), the Governing Body has adopted a Statement of Primary Responsibilities as follows:

* 1. Working with the Executive, the Governing Body sets and approved the mission, strategic vision, overall aims and values of the institution.
  2. To agree long-term academic and business plans and key performance indicators and ensure that these meet the interests of stakeholders, especially staff, students and alumni.
  3. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the strategy, plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
  4. To delegate authority to the Principal, as chief executive, for the academic, corporate, financial, estate and human resource management of the institution, and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Principal.
  5. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, value for money arrangements and procedures for handling internal grievances and managing conflicts of interest.
  6. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself.
  7. To conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
  8. To safeguard the good name and values of the institution.
  9. To appoint the HoI as Chief Executive and to put in place suitable arrangements for monitoring their performance.
  10. To appoint a Secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
  11. To be the employing authority for all staff in the institution and to be accountable for ensuring that an appropriate human resources strategy is established.
  12. To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall accountability for the institution’s assets, property and estate.
  13. To be the institution’s legal authority and, as such, to ensure systems are in place for meeting all the institution’s legal obligations, including those arising from contracts and other legal commitments made in the institution’s name. This includes accountability for health, safety and security and for equality, diversity and inclusion.
  14. To receive assurance that adequate provision has been made for the general welfare of students.
  15. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution.
  16. To ensure that the institution’s constitution is always followed, and that appropriate advice

is available to enable this to happen.

* 1. To promote a culture which supports inclusivity and diversity across the institution.
  2. To maintain and protect the principles of academic freedom and freedom of speech legislation.
  3. To ensure that all students and staff have opportunities to engage with the governance and management of the institution.

Statement of Internal Controls

The Governing Body is responsible for the institution’s system of internal controls and for reviewing its effectiveness. The system is based on identification and evaluation of risk and the monitoring of policies and processes to ensure effective management which enables objectives to be achieved effectively, efficiently, economically and ethically.

The Governing Body is required to present audited financial statements for each financial year. It is responsible for the keeping of proper accounting records which disclose with reasonable accuracy at any time the financial position of Central and for ensuring that the financial statements are prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education and other relevant accounting standards. In addition, within the terms and conditions of the “Regulatory framework for higher education in England” published by the OfS in February 2018, the Governing Body, through the Principal, its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Central and of the surplus or deficit and cash flows for that year. In causing the financial statements to be prepared, the Governing Body has ensured that:

1. suitable accounting policies are selected and applied consistently;
2. judgments and estimates are made that are reasonable and prudent;
3. applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
4. Financial statements are prepared on the going concern basis. The Governing Body is satisfied that it has adequate resources to continue in operation for the foreseeable future and for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

Central’s external auditors consider the institution’s risks, and the internal controls in place to manage those risks, as part of the annual audit of the financial statements. External auditors may also liaise with, and access the work of, internal auditors (without placing reliance upon it).

The Governing Body has taken reasonable steps:

* 1. to ensure that funds from the OfS and UKRI are only used for the purposes for which they have been given and in accordance with the Regulatory Framework for higher education in England published by the OfS in February 2018;
  2. to ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
  3. to safeguard the assets of Central and prevent and detect fraud; and
  4. to secure the economical, efficient and effective management of Central’s resources and expenditure.

##### Risk Management

The following provides a summary of arrangements in place:

1. reports are received from budget holders, department heads and project managers on internal control activities within their areas of responsibility, including progress on key projects;
2. a Risk Management Framework is in place, which defines the institution’s approach to risk management including strategy and policy and provides a framework for risk assurance. This is informed by best practice guidance received through the British Universities Finance Directors Group (BUFDG), OfS Guidance, the HM Treasury Assurance Framework and the Institute of Risk Management;
3. Central’s Risk Framework underwent significant development in the 2021-22 fiscal year following internal audit of the organisation’s approach to risk management and reporting, to include the development of a defined statement of the Governing Body’s “risk appetite and tolerance” to inform investment and initiatives to pursue strategic objectives in the period to 2023;
4. a risk assurance framework has been developed to provide reliable evidence to underpin

the assessment of the risk and control environment for the annual Governance statement;

1. the Strategic Management Team regularly reviews the key strategic risks and also undertakes a regular review of departmental operational risks. Feedback and training is provided on an on-going basis;
2. the Audit Committee provides oversight of risk management procedures and receives regular reports from Strategic Management Team and the internal auditors, which include an independent opinion on the adequacy and effectiveness of the institution’s systems of internal control, together with recommendations for improvement;
3. the annual internal audit programme is approved by the Audit Committee based upon identified strategic risks to the institution and taking into consideration risks facing the sector as a whole;
4. the Finance and Estates Committee reviews risk management reports relevant to its area on a termly basis and the Human Resources Committee also reviews specific risks in relation to its area of responsibility; and
5. the Governing Body undertakes an annual review of the significant risks facing the institution and receives periodic reports from the Audit Committee concerning risk and internal controls, and from the Finance and Estates Committee in respect of the management of significant risks.

The Governing Body review of the effectiveness of the system of internal control was informed by the School appointed internal audit provider (KPMG LLP) throughout the reporting year, operating to standards defined in the OfS Terms and Conditions of funding for Higher Education Institutions.

The Governing Body approved the appointment of KPMG LLP as Central’s Internal Auditors with

effect from 01st August 2021.

The School’s risk management is also continually informed by the work of executive managers within the institution, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

The Governing Body is of the view that: *there is an effective on-going process for identifying, evaluating and managing the institution’s significant risks; that it has been in place throughout the year ended 31st July 2022, and up to the date of approval of the annual report and financial statements; that it is regularly reviewed by the Governing Body; and that it accords with the internal control guidance for directors on the Combined Code as deemed appropriate for higher education. The Governing Body is of the view that all elements of the statement of corporate governance and internal control have been in effect for the year ending 31st July 2022.*

##### Disclosure of information to auditors

The Directors who held office at the date of approval of this Corporate Governance report confirm that, so far as they are each aware, there is no relevant audit information of which the Company’s auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make himself / herself aware of any relevant audit information and to establish that the Company’s auditor is aware of that information. At the Annual General Meeting of the Members of the Company on 18th July 2022, BDO LLP was re-appointed as Central’s external auditor.

Statement of Governing Body Responsibilities in respect of the strategic report and Financial Statements

In accordance with Company law and the Articles of Association, the Governors are required to present audited financial statements of the group and parent for each financial year. These audited financial statements are prepared in accordance with UK accounting standards and

applicable law (UK Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. As a Higher Education institution, the financial statements also accord with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education. In preparing these financial statements, the Governing Body has:

* complied with the Accounts Direction issued by the Office for Students;
* complied with the Statement of Recommended Practice on Accounting for Further and Higher Education;
* ensured that appropriate accounting policies have been selected and applied consistently; and
* ensured that judgements and estimates are made that are reasonable and prudent.

The Governing Body considers that the systems of internal financial control in place have provided appropriate assurance that:

* Central has adequate resources to continue in operation for the foreseeable future and for this reason the financial statements have been prepared on a going-concern basis;
* the financial statements represent a true and fair view of the state of affairs of the group and parent School and of their income and expenditure, gains and losses and changes in reserves for that period;
* the Office for Students’ terms and conditions of funding for higher education institutions and Research England’s terms and conditions of Research England grant and applicable law and regulations have been met;
* there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
* economical, efficient and effective management of the institution’s resources and expenditure

is secured.

The key elements of the institution’s system of internal financial control, designed to discharge the responsibilities set out above, include the following:

1. clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments;
2. a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
3. regular variance reporting and updates of forecast outturns;
4. clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Governors;
5. comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and Governors; and
6. a professional Internal Audit team whose annual programme is approved by the Audit Committee.

Any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

##### 2021/22 Trade Union Disclosure

Trade Union Disclosure 2019-20 Trade Union (Facility Time Publication Requirements) Regulations 2017. The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. These regulations place a legislative requirement on Central to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within the organisation. The relevant data for 2021/22 is as follows:

The number of employees who were relevant union officials during the year totalled 9 staff (9 full- time equivalent).

The percentage of their time spent on trade union activity was as follows:

|  |  |
| --- | --- |
| Percentage of time | Number of employees |
| 0% - 50% | 3 |
| 51% - 99% | - |
| 99% - 100% | - |

The percentage of total salary costs spent on facility time totalled 1.94%. As a percentage of total paid facility time hours, 0.51% of hours were spent by employees who were relevant union officials during the period on paid trade union activities.

##### Publication of the Financial Statements on the Website

The Governing Body is responsible for the maintenance and integrity of the corporate and financial information published on the School’s website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



John Willis, Chair of Governors

28th November 2022

# INDEPENDENT AUDITOR’S REPORT TO THE GOVERNING BODY OF THE ROYAL CENTRAL SCHOOL OF SPEECH AND DRAMA

Opinion on the financial statements

In our opinion, the financial statements:

* give a true and fair view of the state of the Group’s and of The Royal Central School of

Speech and Drama’s (“Central’s”) affairs as at 31 July 2022 and of the Group’s and Central’s income and expenditure, gains and losses, changes in reserves and of the group’s cash flows 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.

We have audited the financial statements of The Royal Central School of Speech and Drama (“Central”) and its subsidiaries (the ‘Group’) for the year ended 31 July 2022 which comprise the Consolidated and Central Statement of Comprehensive Income and Expenditure, the Consolidated and Central Statement of Changes in Reserves, the Consolidated and Central Balance Sheet and the Consolidated Cash Flow Statement and notes to the financial statements, 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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) “ISAs (UK)”) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We are independent of the Group and the Central in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board members’ use of the going

concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

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

Other Companies Act 2006 reporting

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

* the information given in the Strategic report and the Report of the Board and Executive for the financial year for which the financial statements are prepared is consistent with the financial statements; and
* the Strategic report and the Report of the Board and Executive have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Central and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or Report of the Board and Executive.

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 board members’ remuneration specified by law are not made; or
* we have not received all the information and explanations we require for our audit.

Opinion on other matters required by the Office for Students (“OfS”) and UK Research and Innovation (including Research England)

In our opinion, in all material respects:

* Funds from whatever source administered by the higher education institution for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
* Funds provided by the OfS and UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions
* The requirements of the OfS’s Accounts Direction (OfS 2019.41) have been met.

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

* The Central’s grant and fee income, as disclosed in note to the accounts, has been materially

misstated.

* The Central’s expenditure on access and participation activities for the financial year, as has

been disclosed in note 9b to the accounts, has been materially misstated.

Responsibilities of the Governing Body

As explained more fully in the Statement of Governing Body’s responsibilities statement set out on page 43, the Governing Body 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 Governing Body members 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 Governing Body are responsible for assessing the Group and the Central’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 Governing Body either intend to liquidate the Group or Central or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

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

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations are related to their registration with the Office for Students ("OfS”) and their ongoing conditions of registration, and we considered the extent to which non-compliance might have a material effect on the Group Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Companies Act, the OfS Accounts Direction and tax legislation.

We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

* reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and relevant regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
* discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, including direct representation from the Accountable Officer;
* reviewing items included in the fraud register as well as results of internal audit’s

investigations into these matters;

* challenging assumptions made by management in their significant accounting estimates in particular in relation to the calculation of the defined benefit pension liability, the useful economic lives of tangible and intangible fixed assets and the calculation of the bad debt provision;
* in addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain manual journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition; and
* identifying and testing journal entries, in particular any journal entries posted from staff members with privileged access rights, journals posted by key management, journals posted outside of staff members' expected roles, journals posted by temporary or guest accounts and journals posted with unusual descriptions.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

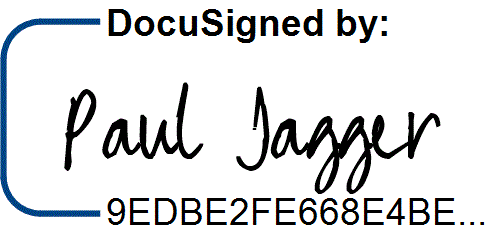
A further description of our responsibilities for the audit of the financial statements is located on

the Financial Reporting Council’s website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities) . This

description forms part of our auditor’s report.

In addition, we also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the University have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Terms and Conditions of Funding with the OfS and UK Research and Innovation (including Research England).

Use of our report

This report is made solely to the Governing Body 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 Central’s Governing Body those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Central and the Governing Body members, for our audit work, for this report, or for the opinions we have formed.

Paul Jagger (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor Gatwick, UK

Date: 19 December 2022

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

# CONSOLIDATED AND CENTRAL’S STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year Ended 31 July 2022** |  |  |  |  |  |
|  |  | **Year ended 31 July 2022** | | Year ended 31 July 2021 | |
|  | Notes | **Group** | **Central** | Group | Central |
|  |  | **£'000** | **£'000** | £'000 | £'000 |
| **Income** |  |  |  |  |  |
| Tuition fees and education contracts | 1 | **12,561** | **12,561** | **11,308** | **11,308** |
| Funding body grants | 2 | **6,141** | **6,141** | **6,058** | **6,058** |
| Research grants and contracts | 3 | **638** | **638** | **482** | **482** |
| Other income | 4 | **521** | **404** | **467** | **466** |
| Investment income | 5 | **104** | **104** | **46** | **46** |
| **Total income before donations and endowments** |  | **19,965** | **19,848** | **18,360** | **18,359** |
| Donations and endowments | 6 | **588** | **588** | **473** | **473** |
| **Total income** |  | **20,553** | **20,436** | **18,833** | **18,832** |
| **Expenditure** |  |  |  |  |  |
| Staff costs | 7 | **13,377** | **13,319** | **12,653** | **12,653** |
| Other operating expenses | 9 | **6,611** | **6,564** | **5,905** | **5,899** |
| Depreciation | 10 | **1,030** | **1,030** | **1,157** | **1,157** |
| Interest and other finance costs | 8 | **478** | **478** | **435** | **435** |
| **Total expenditure** | 9 | **21,496** | **21,391** | **20,150** | **20,144** |
| **Deficit before other (losses) / gains** |  | **(943)** | **(955)** | **(1,317)** | **(1,312)** |
| Loss on Disposal of Fixed Assets | 10 | **(93)** | **(93)** | **-** | **-** |
| (Loss) / gain on investments | 11 | **(33)** | **(33)** | **82** | **82** |
| **Deficit before tax** |  | **(1,069)** | **(1,081)** | **(1,235)** | **(1,230)** |
| Transfer to accumulated income in endowment funds |  | **22** | **22** | 2 | **2** |
| **Deficit for the year** |  | **(1,047)** | **(1,059)** | **(1,233)** | **(1,228)** |
| Actuarial gain /(losses) in respect of pension scheme | 25 | **14,306** | **14,306** | (4,878) | **(234)** |
| **Total comprehensive income / (expenditure) for the year** |  | **13,259** | **13,247** | **(1,467)** | **(1,462)** |
| *(Continued on the next page)* |  |  |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Consolidated Statement of Comprehensive Income and Expenditure** |  |  |  |  |
| **Year Ended 31 July 2022 (continued)** |  |  |  |  |
|  | **Year ended 31 July 2022** | | Year ended 31 July 2021 | |
|  | **Group** | **Central** | Group | Central |
|  | £'000 | £'000 | £'000 | £'000 |
| **Represented by:** |  |  |  |  |
| Endowment comprehensive (expenditure) / income for the year | **(41)** | **(41)** | **47** | **47** |
| Restricted comprehensive income for the year | **49** | **49** | 151 | 151 |
| Unrestricted comprehensive income / (expenditure) | **13,251** | **13,239** | **(1,665)** | **(1,660)** |
| Attributable to Group and Central | **13,259** | **13,247** | **(1,467)** | **(1,462)** |
| **Deficit for the year attributable to:** |  |  |  |  |
| Group and Central | **(1,047)** | **(1,059)** | **(1,233)** | **(1,228)** |
| All items of income and expenditure relate to continuing activities.  The notes on pages 55 to 86 also form part of these financial statements. | |  |  |  |

# CONSOLIDATED AND CENTRAL’S STATEMENT OF CHANGES IN RESERVES

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Year ended 31 July 2022** | | | | | | |
| **Group** | **Income and expenditure reserve** | | | Revaluation  reserve | Transfers to reserves |  |
|  |  |  |  | **Total** |
|  | *Endowment* | *Restricted* | *Unrestricted* |  |  |  |
|  | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Balance at 1 August 2020** | **386** | **2,056** | **16,435** | **1,270** | *28* | **20,175** |
| Surplus / (deficit) from the income and expenditure statement | 63 | 441 | (1,737) | - |  | 1,3 |
| Other comprehensive loss | - | - | (234) | - |  | (234) |
| Release of restricted funds spent in year | (16) | (290) | 306 | - |  | - |
| **Total comprehensive income / (expenditure) for the year** | 47 | 151 | (1,665) | - |  | (1,467) |
| Endowment transfer | - | - | - | - | *47* | 47 |
| **Balance at 1 August 2021** | **433** | **2,207** | **14,770** | **1,270** | *75* | **18,775** |
| (loss) / surplus from the  income and expenditure statement | (55) | 399 | (1,391) | - |  | (1,047) |
| Other comprehensive income | - | - | 14,306 | - |  | 14,306 |
| Release of restricted funds spent in year | 14 | (350) | 336 | - |  | - |
| **Total comprehensive (expenditure) / income for the year** | (41) | 49 | 13,251 | - |  | 13,259 |
| Endowment transfer | - | - | - | - | *(40)* | (40) |
| **Balance at 31 July 2022** | **392** | **2,256** | **28,021** | **1,270** | *(35)* | **32,975** |

*(Continued on the next page)*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Consolidated and Central’s Statement of Changes in Reserves** | | | | | | |
| **Year ended 31 July 2022 (continued)** |  |  |  |  |  |  |
| **Central** | **Income and expenditure account** | | | Revaluation  reserve | Transfers  to reserves | **Total** |
|  | Endowment | Restricted | Unrestricted |  |  |  |
|  | £'000 | £'000 | £'000 | £'000 | £’000 | £'000 |
| **Balance at 1 August 2020** | **386** | **2,056** | **16,481** | **1,270** | *28* | **20,221** |
| Surplus / (deficit) from the income and expenditure statement | 63 | 441 | (1,732) | - | - | (1,228) |
| Other comprehensive expenditure | - | - | (234) | - | - | (234) |
| Release of restricted funds spent in year | (16) | (290) | (306) | - | - | - |
| **Total comprehensive income / (expenditure) for the year** | 47 | 151 | (1,660) | - | - | (1,462) |
| Endowment transfer | - | - | - | - | 47 | 47 |
| **Balance at 1 August 2021** | **433** | **2,207** | **14,822** | **1,270** | *75* | **18,806** |
| (Deficit) / surplus from the income and expenditure statement | (55) | 399 | (1,403) | - | - | (1,059) |
| Other comprehensive income | - | - | 14,306 | - | - | 14,306 |
| Release of restricted funds spent in year | 14 | (350) | 336 | - | - | - |
| **Total comprehensive income / (expenditure) for the year** | (41) | 49 | 13,239 | - | - | 13,247 |
| Endowment transfer | - | - | - | - | (40) | (40) |
| **Balance at 31 July 2022** | **392** | **2,256** | **28,063** | **1,270** | *35* | **32,014** |

The notes on pages 55 to 86 also form part of these financial statements.

# CONSOLIDATED AND CENTRAL’S BALANCE SHEET AS AT 31 JULY

#### Year ended 31 July 2022 Company Registration No. 203645

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **2022** |  | **2021** |  |
|  | Notes |  |  | **(Restated)** | **(Restated)** |
|  |  | **Group**  **£000** | **Central**  **£000** | **Group**  **£000** | **Central**  **£000** |
| **Non-current assets** |  |  |  |  |  |
| Fixed assets | 10 | 34,069 | 34,069 | 35,045 | 35,045 |
| Investments | 11 | 1,091 | 1,091 | 1,164 | 1,164 |
|  |  | 35,160 | 35,160 | 36,209 | 36,209 |
| **Current assets** |  |  |  |  |  |
| Stocks |  | 3 | - | 6 | - |
| Debtors | 12 | 1,507 | 1,518 | 1,669 | 1,753 |
| Investments | 13 | 4,876 | 4,876 | 3,000 | 3,000 |
| Cash and cash equivalents | 19 | 14,131 | 14,131 | 14,630 | 14,594 |
|  |  | 20,517 | 20,525 | 19,305 | 19,347 |
| Less: creditors - amounts falling due within one year | 14 | (5,804) | (5,773) | (6,046) | (6,037) |
| **Net current assets** |  | 14,713 | 14,752 | 13,259 | 13,310 |
| **Total assets less current liabilities** |  | 49,873 | 49,912 | 49,468 | 49,519 |
| Creditors - amounts falling due after more than one year | 15 | (14,676) | (14,676) | (15,306) | (15,306) |
| **Provisions** |  |  |  |  |  |
| Pension provisions | 16 | (3,003) | (3,003) | (15,188) | (15,188) |
| Other provisions | 16 | (219) | (219) | (219) | (219) |
| **TOTAL NET ASSETS** |  | **31,975** | **32,014** | **18,755** | **18,806** |

*(Continued on the next page)*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Consolidated and Central’s Balance Sheet as at 31 July (continued | | | | | |
| Year Ended 31 July 2022 |  |  |  |  |  |
|  |  | **2022** |  | **2021** |  |
|  | Notes |  |  | **(Restated)** | **(Restated)** |
|  |  | **Group**  **£000** | **Central**  **£000** | **Group**  **£000** | **Central**  **£000** |
| **Restricted reserves** |  |  |  |  |  |
| **Income and expenditure reserve** |  |  |  |  |  |
| Endowment reserve | 17 | 392 | 392 | 433 | 433 |
| Income and expenditure reserve | 18 | 2,256 | 2,256 | 2,207 | 2,207 |
| **Unrestricted reserves** |  |  |  |  |  |
| **Income and expenditure reserve**  Unrestricted |  | 28,057 | 28,096 | 14,845 | 14,896 |
| Revaluation reserve |  | 1,270 | 1,270 | 1,270 | 1,270 |
| **TOTAL RESERVES** |  | **31,975** | **32,014** | **18,755** | **18,806** |
| The financial statements were approved and authorised for issue by the Governing Body on 28th November 2022 and were signed on its behalf on that date by: | | | | | |

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  |  |
| **John Willis**  **Chair of Governors** | **Josette Bushell-Mingo OBE**  **Principal / Accountable Officer** |  | **Deborah Scully MBE**  **Company Secretary** |

The notes on pages 55 to 86 also form part of these financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

|  |  |  |  |
| --- | --- | --- | --- |
| **Year ended 31 July 2022** |  |  |  |
|  |  |  | (Restated) |
|  | Notes | **Year ended 31 July 2022** | **Year ended 31 July 2021** |
|  |  | **£'000** | **£'000** |
| **Cash flow from operating activities** |  |  |  |
| Deficit for the year |  | **(1,047)** | **(1,233)** |
| **Adjustment for non-cash items** |  |  |  |
| Depreciation | 10 | 1,030 | 1,157 |
| Loss / (gain) on investments | 11 | 33 | (82) |
| Increase in stock |  | 3 | 1 |
| Decrease in debtors | 12 | 162 | 488 |
| (Decrease) / increase in creditors | 14 | (255) | 819 |
| Increase in pension provision |  | 2,238 | 1,651 |
| **Adjustment for investing or financing activities** |  |  |  |
| Investment income | 5 | (104) | (46) |
| Loan interest payable | 8 | 240 | 253 |
| Endowment income | 17 | (14) | (14) |
| Loss on disposal of fixed assets | 10 | 93 | - |
| Capital grant income |  | (363) | (403) |
| **Net cash inflow from operating activities** |  | **2,016** | **2,591** |
| **Cash flows from investing activities** |  |  |  |
| Capital grants receipts |  | 59 | 152 |
| Investment income |  | 104 | 37 |
| Payments made to acquire fixed assets |  | (144) | (133) |
| New current asset investment |  | (1,872) | (1,900) |
|  |  | **(1,853)** | **(1,844)** |
| **Cash flows from financing activities** |  |  |  |
| Interest paid |  | (244) | (256) |
| Endowment cash received |  | 14 | 14 |
| Repayments of amounts borrowed |  | (431) | (418) |
|  |  | **(661)** | **(660)** |
|  |  |  |  |
| **(Decrease) / increase in cash and cash equivalents in the year** |  | **(498)** | **88** |
| Cash and cash equivalents at beginning of the year | 19 | **14,629** | **14,541** |
| Cash and cash equivalents at end of the year | 19 | **14,131** | **14,629** |

The notes on pages 55 to 86 also form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

### Statement of Principal Accounting Policies and Estimation Techniques

Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS 102). Central is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102.

Central is a company limited by guarantee (Companies Act 2006) with exempt charitable status in England and Wales under company number 00203645. Its registered office is 64 Eton Avenue, London NW3 3HY.

All amounts are presented in sterling.

Going Concern

The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of certain fixed assets). Central meets its day-to-day working capital requirements from the funding and fee income it receives and also, if needed, from surplus reserves. The current economic environment and changed funding rules create uncertainty over the future level of student demand and student fee income and the level of government funding.

Central’s forecasts and projections, taking account of reasonably possible changes in funding and costs, show that Central has adequate resources to continue in operational existence for the foreseeable future. Thus Central continues to adopt the going concern basis in preparing its financial statements.

Basis of Consolidation

The group financial statements include Central (the parent company, also referred to as the School) and its subsidiary undertaking, CSSD Enterprises Limited. Intra-group sales and profits are eliminated fully on consolidation. The group financial statements do not include the income and expenditure of the Student’s Union as the School does not exert control or dominant influence over policy decisions.

Income Recognition

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Tuition fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Income and Comprehensive Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Investment income is credited to the statement of income and expenditure on a receivable basis.

Any funds the School receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the School where the School is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Grant Funding

Research income and specific purpose non-recurrent grants from OfS and Research England or other bodies are recognised in income over the periods in which the School recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants (including research grants) from non-government sources are recognised in income when the School is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the School is entitled to the funds subject to any performance related conditions being met.

Donations and Endowments

An Endowment fund is a form of charitable trust retained for the benefit of the School for the long term and is subdivided into a capital and accumulated income element. A donation to establish an endowment fund which prohibits conversion of capital to income creates a 'permanent' endowment fund and such fund must generally be held indefinitely. If the School has power to use the capital then the endowment fund is 'expendable' but the School would be unlikely to use this power in the short term.

The investment income from permanent endowment funds may be restricted or unrestricted in use depending on the requirements of the donor whereas investment income from expendable endowment funds will always be restricted in use.

New endowment funds are credited to the Consolidated Statement of Comprehensive Income and Expenditure on entitlement and then transferred to an endowment fund within the Balance Sheet. Investment income is credited to the Consolidated Statement of Income and Expenditure and, if restricted, reserved within the endowment fund for future spend in accordance with restrictions. Expenditure against the restricted endowment fund is debited to the Consolidated Statement of Income and Expenditure and charged to the endowment fund.

Revaluation of endowment investments is recorded within the Consolidated Statement of Income and Expenditure and allocated to the endowment funds.

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in

income when the School is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the School is entitled to the funds.

Capital donations have performance related conditions specific to the construction or purchase of an asset. Once the conditions have been met the donation income is released to the Statement of Comprehensive Income and Expenditure. However, the depreciation of these costs are charged over the assets’ useful life. This results in an imbalance between the benefit and costs within the consolidated statement of comprehensive income and expenditure.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms or other restriction applied to the individual endowment fund.

There are four main types of donations and endowments identified within reserves:

1. restricted donations - the donor has specified that the donation must be used for a particular objective;
2. unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the School;
3. restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the School has the power to use the capital; and
4. restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Accounting for retirement benefits

Central contributes to the London Pensions Fund Authority Pension Fund (LPFA) and the Teachers’ Pension Scheme (TPS). Both schemes are defined benefit schemes but the TPS scheme is a multi- employer scheme and it is not possible to identify the assets of the scheme which are attributable to Central. In accordance with FRS 102 section 28 this scheme is accounted for on a defined contribution basis and contributions to this scheme are included as expenditure in the period in which they are payable. Central is able to identify its share of assets and liabilities of the LPFA scheme and thus Central fully adopts FRS 102 section 28.

The schemes are statutory, contributory, career average schemes, with a final salary link for service prior to scheme change dates. The schemes were contracted out of the State Earnings- Related Pension Scheme until April 2016.

The Funds are valued every three years (LPFA) and every four years (TPS) by actuaries using the aggregate method, the rates of contribution payable being determined on the advice of the actuaries. Pension costs are assessed on the latest actuarial valuations of the schemes and are accounted for on the basis of charging the cost of providing pensions over the period during which

Central benefits from the employees’ services. Variations from regular costs are spread over the expected average remaining working lifetime of members of the schemes after making allowances for future withdrawals.

Service costs are spread over the service lives of the employees and financing costs are recognised in the period in which they arise. The cost of past service benefit enhancements, settlements and curtailments are also recognised in the period in which they arise. The differences between actual and expected returns during the year, including changes in actuarial assumptions are recognised in the Statement of Comprehensive Income and Expenditure.

Central continues to make a small and diminishing number of supplementation payments to retired members and dependants of former members of the Central School of Speech Training and Dramatic Art Pension Fund.

Enhanced Pension Provision

Enhanced pensions have been paid to former employees of the Inner London Education Authority on a monthly basis by the London Pension Fund Authority (LPFA) and reimbursed by Central. The LPFA supplies Central with listings of the 6 former staff members still alive, their age, gender and marital status. The University uses the Association of Colleges template which provides a Net Interest Rate table to apply the age, sex, annual payment and marital status of the former employees and calculate a pension per individual. These are summed for all individuals to provide an appropriate pension provision.

Staff Costs and Employment Benefits

Staff costs cover all staff for whom Central is liable to pay Class 1 National Insurance contributions and/or who have a contract of employment with Central and include any severance costs.

Short term employment benefits such as salaries and annual leave are recognised as an expense in the year in which the employees render service to the School. Any unused benefits are accrued and measured as the additional amount the School expects to pay as a result of the unused entitlement.

Leased Assets

Assets obtained under finance leases are included in fixed assets at an amount equal to the cost at which the assets would have been purchased and depreciated over the period of the lease on a straight-line basis. The related lease obligations, excluding finance charges allocated to future periods, are included in creditors. Finance charges are amortised over the life of the lease on the actuarial basis. Rental costs under operating leases are charged to the income and expenditure account as incurred.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on the date of transition to the

2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and Buildings

Tangible fixed assets are stated at historic cost less accumulated depreciation and any accumulated impairment losses. Historic 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.

Costs incurred in relation to land and buildings after initial purchase or construction are capitalised to the extent that they are expected to provide incremental future benefits to Central. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful lives as follows:

* Academic buildings - 50 years
* Refurbishments - 15 years

Leasehold land is depreciated over the life of the lease up to a maximum of 50 years. No depreciation is charged on assets in the course of construction.

Equipment

Equipment costing more than £1,000 is capitalised. Other items are written off in the year of acquisition.

Capital equipment is depreciated over its expected useful life on a straight-line basis as follows: Computer equipment - 3 years

Lighting equipment - 5 years

Media and digital equipment - 2 years Management information systems - 5 years Telephone equipment - 7 years

Other equipment - 10 years

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

The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, 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 within ‘other operating income or losses’ in the statement of comprehensive income.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Investments

Non-current asset investments are initially recognised at transaction cost then held on the Balance Sheet at cost less impairment.

Investments in subsidiaries are carried at cost less impairment in the School's accounts. Current asset investments are held at fair value with movements recognised in the Surplus or Deficit.

Listed Investments

Listed investments are shown in the balance sheet at market value. Investment income arising from these investments is dealt with through the Consolidated Statement of Comprehensive Income and Expenditure, as are profits or losses arising from the sale of these investments.

Stocks

Bar stocks are stated at the lower of their cost and net realisable value and is measured using an average cost formula. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Although Central maintains small stocks of stationery and consumables, these are charged to expenditure in the year of purchase, and have not been included in the Balance Sheet.

Cash and Cash Equivalents

Cash includes cash in hand, deposits and overdrafts. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with an original maturity of three months or less. This also includes short term deposits with a term of 95 days or less.

Liquid resources comprise term deposits held as part of Central’s treasury management activities.

Maintenance of Premises

The cost of planned and routine corrective maintenance is charged to the income and expenditure account as incurred.

Taxation Status

Central is an exempt charity within the meaning of Part 3 of the Charities Act 2011 and, as such, is a charity within the meaning of Section 506 (1) of the Income and Corporation Taxes Act 1988. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, Central is potentially exempt from taxation in respect of income or capital gain received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. Central receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost Central’s subsidiary company is subject to corporation tax and VAT in the same way as any commercial organisation.

Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when Central:

* has a present legal or constructive obligation as a result of a past event;
* it is probable that an outflow of economic benefit will be required to settle the obligation; and
* a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives Central a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of Central. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives Central a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of Central.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

Foreign currency translation

Transactions in foreign currencies are translated to the respective functional currencies of the Group at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Reserves

Reserves are allocated between restricted and unrestricted reserves. Restricted reserves include endowments and non-endowment balances which the donor has designated for a specific purpose.

Critical Accounting Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying accounting policies. Estimates, assumptions and judgements are continually evaluated based on

available information and experience. Estimates based on assumptions and judgements could differ significantly from actual results. The areas most affected by the use of estimates and judgements are described below:

* useful lives of fixed assets - The useful lives of Central’s assets are determined by management at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Nevertheless, some assets, including buildings, remain in use well beyond their useful life and to this extent there is no charge to depreciation in respect of fully written off assets;
* non-current asset investments – endowments and investments

Endowment and investments are included at fair market value provided by professional valuation;

* recoverability of debts - It is assumed initially that all debts will be recoverable in full unless there is evidence to suggest otherwise. Any debt that is evidently doubtful is provided for in full. For all other debts, once these reach six months overdue a provision is created by type of debt based on historical experience of irrecoverability. The adequacy of the provision is assessed and adjusted annually;
* annual leave liability - The liability for outstanding annual leave is calculated based on the assumption that academics do not take leave during the term time, but take leave pro rata during the vacation periods. Actual data of outstanding leave is taken from the holiday booking system; and
* calculation of pension provision – Defined benefit pension liability The underlying assumptions in relation to the estimate of the present value of the calculation of the defined benefit pension liability in the LPFA scheme is made using actuarial assumptions including future salary and general inflation and the expected longevity of scheme members.

#### Notes to the Accounts

**for the year ended 31 July 2022**

**Year End 31 July**

**Group**

1. **Tuition fees and education contracts £'0**

Full-time Undergraduate - Home

* + EU students
  + International students Full-time Postgraduate - Home
  + EU students
  + International students Part-time Postgraduate - Home
  + EU students
  + International students

Short courses and other fees

1. **Funding body grants Recurrent grants**

Teaching - OfS Research - Research Capital grants - O

**Specific gr** Inherite Hard

C

#### Notes to the Accounts

**for the year ended 31 July 2022**

**Year Ended** Year Ended

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **31 July 2022** 31 July 2021 | | | | | | |
|  |  | | **Group** | **Central** | Group | Central |
|  |  | | **£'000** | **£'000** | £'000 | £'000 |
| **3** | **Research grants and contracts** | |  |  |  |  |
|  | Research councils | | **587** | **587** | 429 | 429 |
|  | Research charities | | **23** | **23** | - | - |
|  | Government (UK and overseas) | | **1** | **1** | - | - |
|  | Industry and commerce | | **27** | **27** | 53 | 53 |
|  |  | | **638** | **638** | 482 | 482 |
|  | ***The source of grant and fee income, included in notes 1 to 3 is as follows:*** | |  |  |  |  |
|  | **Grant and Fee income** | |  |  |  |  |
|  | OfS Grant income from the OfS | | **5,196** | **5,196** | 5,159 | 5,159 |
|  | Other bodies\* Grant income from other bodies | | **1,583** | **1,583** | 1,397 | 1,397 |
|  | Research awards Fee income for research awards (exclusive of VAT) | | **86** | **86** | 90 | 90 |
|  | Non-qualifying Fee income from non-qualifying courses (exclusive of | | **642** | **642** | 563 | 563 |
|  | | VAT) |  |  |  |  |
| Taught | | Fee income for taught awards (exclusive of VAT) | **11,834** | **11,834** | 10,654 | 10,654 |
|  | |  | **19,341** | **19,341** | 17,863 | 17,863 |

*\*Includes HMRC Coronavirus Job Retention Scheme (CJRS) grants shown within other income.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **4 Other Income** |  | | | |
| Other revenue grants | **-** | **-** | 16 | 16 |
| Rent | **43** | **43** | 241 | 241 |
| Ticket sales | **11** | **11** | - | - |
| Shop sales | **8** | **8** | 2 | 2 |
| Bar sales | **117** | **-** | 1 | - |
| External services | **92** | **92** | 96 | 96 |
| Buiness Training | **75** | **75** | 1 | 1 |
| Insurance Proceeds | **71** | **71** | - | - |
| VAT and Creative Sector Relief | **62** | **62** | 38 | 38 |
| Award Ceremony | **21** | **21** | - | - |
| Miscelleneous | **21** | **21** | 74 | 74 |
|  | **521** | **404** | 468 | 467 |
| **5 Investment income** |  |  |  |  |
| Investment income on endowments | 14 | 14 | 14 | 14 |
| Exchange gains / (losses) unrealised | 29 | 29 | (17) | (17) |
| Other investment income | 61 | 61 | 49 | 49 |
| Net return on pension scheme | - | - | 0 | 0 |
|  | **104** | **104** | 46 | 46 |
| **6 Donations and endowments** |  |  |  |  |
| Donations with restrictions | **399** | **399** | 441 | 441 |
| Unrestricted donations | **189** | **189** | 32 | 32 |
|  | **588** | **588** | 473 | 473 |

|  |
| --- |
| **Notes to the Financial Statements** |
| **For the year ended 31 July 2022** |

#### 7. Staff costs

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year Ended 31 July 2022** | | | **Year Ended 31 July 2021** | |
|  | **Group**  **£000** | **Central**  **£000** | **Group**  **£000** | **Central**  **£000** |
| Salaries | 8,915 | 8,864 | 8,777 | 8,777 |
| Social security costs | 953 | 950 | 870 | 870 |
| Other pension costs | 3,509 | 3,505 | 3,006 | 3,006 |
| **Total** | **13,377** | **13,319** | **12,653** | **12,653** |

**Total remuneration of the head of the institution**

Professor George Caird held the post of Interim Principal and Accountable Officer until 15 August 2021. Josette Bushell-Mingo was appointed as Principal and Accountable Officer from 16 August 2021. Ms Deborah Scully (substantive Deputy Principal) acted up as Accountable Officer and Interim Co- Principal from 8 June to 12 September 2020. Professor Ross Brown (substantive Dean) acted up as Interim Co-Principal from 8 June to 12 September 2020. Pro-rated annual remuneration for the period between 1 August and 12 September 2020 detailed below.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Year Ended 31 July 2022**  **£** |  |  |  | **Year Ended 31 July 2021**  **£** | |  |  |
|  | Josette Bushell- Mingo | George Caird | **Gavin Henderson** | **Total** |  | George Caird | Gavin Henderson | Debbie Scully | Ross Brown | **Total** |
| Basic salary | 159,828 | 4,980 | **-** | **164,808** |  | 110,667 | 15,552 | 9,809 | 10,188 | **146,216** |
| Pension contribution | 37,847 | 1,179 | **-** | **39,026** |  | 26,206 | 3,683 | - | 2,076 | **31,965** |
| Taxable Benefits: | | | | | | | | | | |
| Medical insurance | 1,316 | 135 | **-** | **1,451** |  | 3,182 | - | 153 | - | **3,335** |
| Other remuneration  - consultancy | - | - | 60,000 | 60,000 |  | - | 20,000 | - | - | 20,000 |
| **Total** | **198,991** | **6,294** | **60,000** | **265,205** |  | **140,055** | **39,235** | **9,962** | **12,264** | **201,516** |
| Post contract consultancy services in support of Central’s new strategic plan provided by Professor Gavin Henderson CBE in accordance with the schedule approved by the Board of Governors were fully executed in-year.  **Pay multiples – the ratio between the principal’s pay and the average pay of the other staff at the**  **institution.** | | | | | | | | | | |
| **Basic Salary** | **3.3** | **3.3** |  |  |  | **3.3** | **3.7** | **3.0** | **2.2** |  |
| **Total remuneration** | **3.7** | **3.8** |  |  |  | **3.7** | **8.5** | **2.7** | **2.5** |  |

|  |
| --- |
| **Notes to the Financial Statements** |
| **For the year ended 31 July 2022** |

The Royal Central School of Speech and Drama had a change of Principal and Accountable Officer in the financial year. Professor George Caird was Interim Principal at 0.8 full-time equivalent for the period 1 August to 15 August 2021 and Josette Bushell-Mingo OBE was appointed as Principal and Accountable Officer with effect from 16 August 2021 and remained in that role for the remainder of the financial year.

Central is a higher education conservatoire based in London. The nature of the School’s business is far reaching and internationally renowned. Central provides higher education degree programmes to around 1,090 students and also offers an extensive short course programme to over 1,200 individuals from all ages from children to adult learners. Employing 254 full-time equivalent contracted staff and engaging approximately 200 freelance visiting professionals, the School’s annual turnover in 2021/22 was £20.5million. Central is in good standing. 94% of the School’s research submitted to the 2021 Research Excellence Framework was deemed to be internationally excellent or world-leading, with 75% at 4\*. Central also holds Gold status in the Teaching Excellent Framework in recognition of its excellent teaching standard.

The Board of Governors has delegated to the Remuneration Committee responsibility for reviewing the performance of and setting the salary level for the Principal on an annual basis. In undertaking this duty, the Remuneration Committee has regard to the CUC higher education senior staff remuneration code. The annual review takes into account the delivery of strategic objectives; organisational development; leadership and engagement; equality and inclusion; impact and financial performance and sustainability. The review also includes reference to external market data such as CPI, public sector pay negotiations, OfS publications, UCEA senior staff survey and appropriate peer institutional benchmarks. Specific reference points include the median pay for head of providers in higher education as reported in the UCEA senior staff survey at July 2020. These include the median for all providers at £240k; for providers with an income of up to £24m at £177k; providers based in London at £250k and specialist conservatoire peer group at £178k.The Office for Students report on senior staff remuneration as disclosed in the 2019/20 financial statements shows the mean basic pay of all providers was £219k and the mean total remuneration was £269k.

Notable achievements during 2021/22 included: quantum leap forward in REF 2021 assessed outcomes; OfS continued assessment that Central is world-leading for its teaching and education activities; continued response to the COVID pandemic with a controlled return to full face to face teaching; public engagement including research seminars, productions and digital exhibitions; the launch of new innovative on-line short courses; the implementation of core elements of the Strategic Plan for the period to 2023; the engagement of the Central community in leading transformational change to eradicate institutional racism towards embedding a culture of inclusion, openness and transparency; the implementation if a Joint Negotiation and Consultative Committee to enhance partnership working with staff; the conferment of 453 degree awards; the development of ‘How to Central’ to reach out and extend forms of engagement with the student community; and the award of 17 funded research projects in-year.

In comparison to appropriate external benchmarks and reference points, and noting the performance outcomes delivered, the basic pay for the Principal /CEO at £166k can be justified as being fair and in line with benchmarks. The ratio between the Principal’s total remuneration for 2022 and the pay of other staff at Central was 3.7. This is below the CUC reported ratio range for higher education of 5 to 8.5 and deemed to be fair and appropriate in relation to the size and complexity of the School.

|  |  |  |
| --- | --- | --- |
| Remuneration of other higher paid staff, excluding employer's pension contributions | | |
|  | Year Ended 31 July 2022  No. | Year Ended 31 July 2021  No. |
| £100,000 to £104,999 | 1 | - |
| £105,000 to £109,999 | - | 1 |
| £110,000 to £114,999 | 1 | - |
| £115,000 to £119,999 | 1 | 1 |
| £145,000 to £149,999 | 1 | - |
| Total | 4 | 2 |
|  |  |  |
| Average FTE staff numbers by major category: | Year Ended 31 July 2022  No. | Year Ended 31 July 2021  No. |
| Teaching | 144 | 125 |
| Teaching Support | 64 | 61 |
| Central Admin & Services | 33 | 30 |
| Staff and student facilities | 6 | 3 |
| Premises | 7 | 6 |
| Total | 254 | 225 |
|  |  |  |
| Key management personnel are those persons having authority and responsibility for  planning, directing and controlling the activities of the School. These include leading members of the Executive Management Group. | | |
|  | Year ended  31 July 2022 | Year ended  31 July 2021 |
|  | £'000 | £'000 |
| Key management personnel staff costs and benefits (included in  staff costs above) |  |  |
| Salary | 886 | 808 |
| Total | 886 | 808 |
|  |  |  |

Governing Body Members

The School's Governing Body members are the trustees for charitable law purposes. There are no related party transactions between the School and the non-executive directors. All transactions involving organisations in which a member of the Governing Body may have an interest are conducted at arms-length and in accordance with the School's Financial Regulations and usual procurement procedures.

No non-executive director has received any remuneration/waived payments from the group during the year (2021: none).

However, during the year 4 (2021: none) non-executive directors received reimbursement of expenses £821 (2021: nil). The 2022 expenses represent travel and subsistence expenses incurred in attending Governing Body and Committee meetings in their official capacity.

#### Notes to the Financial Statements for the year ended 31 July 2022

**Year Ended 31 July 2022**

Year Ended 31 July 2021

**8 Interest and other finance costs**

Notes **Group Central** Group Central

**£'000 £'000** £'000 £'000

Loan interest **240 240** 253 253

Net charge on pension scheme 24  **238 238** 182 182

**478 478** 435 435

**9a Analysis of total expenditure by activity**

**Interest**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year Ended 31 July 2022** | **Staff costs** | **Other operating expenses** | **Depre- ciation** | **and other finance**  **costs** | **Total** |
|  | **£000** | **£000** | **£000** | **£000** | **£000** |
| Teaching | **5,817** | **1,874** | **-** | **-** | **7,691** |
| Teaching Support | **3,752** | **1,765** | **134** | **-** | **5,651** |
| Central Admin & Services | **3,457** | **1,837** | **209** | **478** | **5,981** |
| Staff and student facilities | **58** | **116** | **1** | **-** | **175** |
| Premises | **293** | **889** | **683** | **-** | **1,864** |
| Catering | **-** | **130** | **3** | **-** | **133** |
|  | **13,377** | **6,611** | **1,030** | **478** | **21,495** |
| Other operating expenses include:  External auditor's remuneration in respect of audit services |  |  |  |  | 57 |
| External auditor's remuneration in respect of non-audit services |  |  |  |  | 16 |
| Operating lease rentals - Buildings |  |  |  |  | 13 |
| Operating lease rentals – Other |  |  |  |  | 49 |
| The auditor remuneration above is inclusive of irrecoverable VAT. |  |  |  |  |  |

**Year Ended 31 July 2021**

**Staff Costs**

**Other Operating Expenses**

**Depre- ciation**

**Interest Payable**

**Total**

**£000 £000 £000 £000 £000**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Teaching | **5,670** | **1,758** | **1** | **-** | **7,429** |
| Teaching Support | **3,366** | **1,469** | **180** | **-** | **5,015** |
| Central Admin & Services | **3,338** | **1,681** | **235** | **435** | **5,689** |
| Staff and student facilities | **0** | **77** | **1** | **-** | **78** |
| Premises | **279** | **824** | **737** | **-** | **1,840** |
| Catering | **-** | **96** | **3** | **-** | **99** |
|  | **12,653** | **5,905** | **1,157** | **435** | **20,150** |
| Other operating expenses include:  External auditor’s remuneration in respect of audit services |  |  |  |  | 55 |
| External auditor’s remuneration in respect of non-audit services |  |  |  |  | 10 |
| Operating lease rentals |  |  |  |  | 278 |
| Operating lease rentals – Other |  |  |  |  | 34 |
| The auditor remuneration above is inclusive of irrecoverable VAT. |  |  |  |  |  |

#### Notes to the Financial Statements for the year ended 31 July 2022

9b

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Access and Participation** | **Group** | **Central** | **31 July 2 Group** | **021**  Central |
| Access Investment | **£'000**  188 | **£'000**  188 | **£'000**  169 | £'000  169 |
| Financial Support | 309 | 309 | 161 | 161 |
| Disability Support | 174 | 174 | 179 | 179 |
| Research and Evaluation | 4 | 4 | 21 | 21 |
|  | **675** | **675** | **530** | **530** |

**Year Ended 31 July 2022**

**Year Ended**

<https://www.cssd.ac.uk/about-central/equity-at-central>

## Notes to the Accounts

**for the year ended 31 July 2022**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **10 Fixed Assets** |  | | | | | | | | | |
|  |  |  |  | |  |  |  | **Fixtures,** |  |  |
|  | **Freehold** |  | **Leasehold** | |  | **Alterations** |  | **Fittings** |  |  |
|  | **Land and** |  | **Land and** | |  | **and** |  | **and** |  |  |
|  | **Buildings** |  | **Buildings** | |  | **Improvements** |  | **Equipment** |  | **Total** |
| **Group** | **£'000** |  | **£'000** | |  | **£'000** |  | **£'000** |  | **£'000** |
| **Cost or valuation** |  |  |  | |  |  |  |  |  |  |
| At 1 August 2021 | 39,980 |  | 1,186 | |  | 4,049 |  | 3,286 |  | 48,502 |
| Additions | 21 |  | - | |  | - |  | 126 |  | 147 |
| Disposals | - |  | - | |  | - |  | (618) |  | (618) |
| **At 31 July 2022** | **40,001** |  | **1,186** | |  | **4,049** |  | **2,794** |  | **48,031** |
| **Depreciation** |  |  |  | |  |  |  |  |  |  |
| At 1 August 2021 | 7,774 |  |  | - 3,420 | | |  | 2,263 |  | 13,457 |
| Charge for the year | 619 |  |  | - 160 | | |  | 251 |  | 1,030 |
| Disposals | - |  |  | - - | | |  | (525) |  | (525) |
| **At 31 July 2022** | **8,393** |  | **-** | **3,580** | | |  | **1,989** |  | **13,962** |
| **Net book value** |  |  |  |  |  |  |  |  |  |  |
| **At 31 July 2022** | **31,608** |  | **1,186** | |  | **469** |  | **805** |  | **34,069** |
| At 31 July 2021 | 32,206 |  | 1,186 | |  | 629 |  | 1,024 |  | 35,045 |

At 31 July 2022, freehold land and buildings included £8.8m (2021 - £8.8m) in respect of freehold land and is not depreciated.

**Notes to the Financial Statements for the Year Ended 31 July 2022**

**11 Non-Current Investments**

|  |  |  |  |
| --- | --- | --- | --- |
| **Group and Central** | **Endowment Investment** | **Other Investments** | **Total** |
| **At 1 August 2021** | **£'000**  432 | **£'000**  732 | **£'000**  **1,164** |

|  |  |  |  |
| --- | --- | --- | --- |
| Decrease in value | (40) | (33) | **(73)** |
| **At 31 July 2022** | **392** | **699** | **1,091** |
| **Group and Central At 1 August 2020** | **£'000**  386 | **£'000**  650 | **£'000**  1,036 |
| Increase in value | 46 | 82 | 128 |
| **At 31 July 2021** | **432** | **732** | **1,164** |
| The non-current investments have been valued at market value. Funds responsible muti-asset funds long-term investment fund with a diversi equities, bonds, property and alternative assets. | are invested in Cazenove fied strategy investing in  **Central 2022** | | **Central 2021** |
| Investment in Subsidiary company at cost | **£** |  | **£** |
| Subsidiary company |  | 1 | 1 |
| The results of the group consolidate those of CSSD Enterprises Limited:  The result of the subsidiary are as follows: Turnover  Cost of sales Gross Profit | **Year Ended**  **31 July**  **2022**  **£'000 117**  **(32)**  **85** | | Year Ended 31 July  2021  £'000  **1**  **1**  **2** |
| Furlough grants **-**  Net operating expenses  **(74)**  Gain/(Loss) for the financial year  **12**  CSSD Enterprises Limited registered office is at 64 Eton Avenue, London NW3 3HY. | | | **-**  **(7)**  **(5)** |
| **Principal Activity** | **Status** | |  |
| Established to carry out Central's commercial activities. This arrangement preserves Central's charitable status, while also  allowing Central to benefit from any tax relief available through Gift Aid arrangements. | 100% owned | |  |

## Notes to the Financial Statements for the year ended 31 July 2022

**1**

**2 Debtors**

**Year ended 31 July 2022**

Year ended 31 July 2021

Amounts falling due within one year:

**Group Central** Group Central

**£'000 £'000** £'000 £'000

Trade receivables **1,352 1,352 1,406 1,406**

Prepayments and accrued

income **155 155 263 263**

Amounts due from subsidiary

companies  **- 11** - **84**

**1,507 1,518 1,669 1,753**

**1 Current**

**3 Investments**

**Year ended 31 July 2022**

Year ended 31 July 2021 (Restated)

**Group Central** Group Central

**£'000 £'000** £'000 £'000

Short term deposits  **4,876 4,876** 3,000 3,000

**4,876 4,876 3,000 3,000**

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority with more than 95 days maturity at the point of inception. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

At 31 July 2022 the weighted average interest rate of these fixed rate deposits was 1.25% per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 108 days.

## Notes to the Financial Statements for the year ended 31 July 2022

**1**

**4 Creditors : amounts falling due within one year**

**Year ended 31 July 2022**

Year ended 31 July 2021

Unsecured loans Trade payables

|  |  |  |  |
| --- | --- | --- | --- |
| **Group**  **£'000** | **Central**  **£'000** | Group  £'000 | Central  £'000 |
| **444** | **444** | 431 | 431 |
| **147** | **116** | 116 | 107 |
| **262** | **262** | 275 | 275 |
| **4,304** | **4,304** | 4,425 | 4,425 |

Social security and other taxation payable

Accruals and deferred income

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Other Creditors | **277** | **277** | 289 | 289 |

Capital Grants  **370 370** 510 510

**5,804 5,773** 6,046 6,037

**Deferred Income**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Included within accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met. | | | | |
| Research grants received on account | **1,445** | 1,445 | **756** | 756 |
| Donations | **38** | 38 | **202** | 202 |
| Tuition Fees | **326** | 326 | **689** | 689 |
| Other income | **83** | 83 | **6** | 6 |

**1,892 1,892 1,653 1,653**

**Notes to the Accounts**

**for the year ended 31 July 2022**

**15 Creditors : amounts falling due after more than one year**

**Year ended 31 July 2022** Year ended 31 July 2021

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Group** |  | **Central** |  | Group |  | Central |
| **£'000** |  | **£'000** |  | £'000 |  | £'000 |
| Capital Creditors | 7,398 |  | 7,398 |  | 7,562 |  | 7,562 |
| Unsecured loan | 7,202 |  | 7,202 |  | 7,646 |  | 7,646 |
| Deferred income | 76 |  | 76 |  | 98 |  | 98 |
|  | **14,676** |  | **14,676** |  | **15,306** |  | **15,306** |
| Analysis of unsecured loans:  **Due within one year or on demand** | 444 |  | 444 |  | 431 |  | 431 |
| Due between one and two years | 457 |  | 457 |  | 444 |  | 444 |
| Due between two and five years | 1,460 |  | 1,460 |  | 1,415 |  | 1,415 |
| Due in five years or more | 5,285 |  | 5,285 |  | 5,787 |  | 5,787 |
| **Due after more than one year** | **7,202** |  | **7,202** |  | **7,646** |  | **7,646** |
| **Total unsecured loans** | **7,646** |  | **7,646** |  | **8,077** |  | **8,077** |

The fixed interest rates on the £8.7m Lloyds loan is as detailed below:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Amount**  **£'000** |  | **Term** |  | **Interest rate**  **%** |  | **Borrower** |
| 23 June 2016 | 5,000 |  | 20 |  | 3.155 |  | Central |
| 11 April 2017 | 1,000 |  | 20 |  | 2.743 |  | Central |
| 9 May 2018 | 2,700 |  | 20 |  | 3.083 |  | Central |
| **Total Lloyds loan** | **8,700** |  |  |  |  |  |  |
| **16 Provisions for liabilities** |  |  |  |  |  |  |  |
| **Group and Central** | **Enhanced** |  | **LPFA** |  | **Other** |  | **Total** |
|  | **Pension** |  | **Obligations** |  | **Obligations** |  | **Pensions** |
|  | **Provisions** |  | **(Note 24)** |  |  |  | **Provisions** |
|  | **£'000** |  | **£'000** |  | **£'000** |  | **£'000** |
| At 1 August 2021 | 179 |  | 15,188 |  | 40 |  | **15,407** |
| Deductions | - |  | (12,185) |  | - |  | **(12,185)** |
| **At 31 July 2022** | **179** |  | **3,003** |  | **40** |  | **3,222** |

Enhanced Pension Provision - valuation of the enhanced (unfunded) inherited pensioner liabilities currently funded by the OfS.

The assumptions for calculating the provision for pension enhancements on termination under FRS 102, are as follows:

**Consolidated**

Interest rate **1.30**

Inflation **2.20**

Other Obligations - these relate to Teachers' Pension arrears for 3 members of staff.

**Notes to the Financial Statements for the year ended 31 July 2022**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **17** | **Endowment Reserves** |  |  |  |  |
| **Restricted net assets relating to endowments are as follows:** | | | | | |
|  | **Restricted Expendable Endowments** | | **Restricted Permanent Endowments** | **2022** | **2021** |
|  |  |  |  | **Total** | **Total** |
|  |  | **£'000** | **£'000** | **£'000** | **£'000** |
| **Balances at 1 August 2021** | | | | | |
|  | **Capital** | **11** | **310** | **321** | **321** |
|  | **Accumulated income** | **20** | **91** | **111** | **65** |
|  |  | **31** | **401** | **432** | **386** |
|  | **Investment income** | **-** | **14** | **14** | **14** |
|  | **Expenditure** | **-** | **(36)** | **(36)** | **(16)** |
|  | **(Decrease) / Increase in market value of investments** | **-** | **(18)** | **(18)** | **49** |
|  | **Total endowment comprehensive income for the year** | **-** | **(40)** | **(40)** | **49** |
| **At 31 July 2022** | | **31** | **361** | **392** | **433** |
|  | **Represented by:** |  |  |  |  |
|  | **Capital** | **12** | **310** | **322** | **321** |
|  | **Accumulated income** | **19** | **51** | **70** | **112** |
|  |  | **31** | **361** | **392** | **433** |
|  | **Analysis by type of purpose:** |  |  |  |  |
|  | **Scholarships and bursaries** | **-** | **331** | **331** | **367** |
|  | **Prize funds** | **-** | **30** | **30** | **35** |
|  | **General** | **31** | **-** | **31** | **31** |
|  |  | **31** | **361** | **392** | **433** |
|  | **Analysis by asset** |  |  |  |  |
|  | **Fixed assets** | **5** | **357** | **362** | **358** |
|  | **Cash & cash equivalents** | **25** | **46** | **71** | **50** |
|  |  | **30** | **403** | **433** | **408** |

#### Notes to the Accounts

**for the year ended 31 July 2022**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **18 Restricted Reserves** |  |  | | |
| Reserves with restrictions are as follows: |  |
|  | **Unspent** |
|  | **capital grants** | **Donations** | **2022** | **2021** |
|  |  |  | **Total** | **Total** |
|  | **£'000** | **£'000** | **£'000** | **£'000** |
| **Balances at 1 August** | 1,423 | 784 | **2,207** | 2,056 |
| New donations | - | 399 | **399** | 441 |
| Investment income | - | - | **-** | - |
| Capital grants utilised | (6) | - | **(6)** | (6) |
| Expenditure | - | (344) | **(344)** | (284) |
| **Total restricted comprehensive income for the year** | (6) | 55 | **49** | 151 |
| **At 31 July** | 1,417 | 839 | 2,256 | 2,207 |
|  | | | **2022** | **2021** |
|  | | | **Total** | **Total** |
| **Analysis of other restricted funds /donations by type of purpose:** | | | **£'000** | **£'000** |
| Lectureships | | | **23** | 28 |
| Scholarships and bursaries | | | **376** | 408 |
| Prize funds | | | **-** | 5 |
| Capital | | | **-** | - |
|  | | | **399** | 441 |

**19 Cash and cash equivalents**

|  |  |  |  |
| --- | --- | --- | --- |
| **At 1 August** | | **Cash** | **At 31 July** |
| **2021** | | **Flows** | **2022** |
|  | **(Restated)** |  |  |
| Consolidated | **£'000** | **£'000** | **£'000** |
| Cash in hand | 110 | 2 | **112** |
| Cash at bank | 6,488 | 1,333 | **7,821** |
| Term deposits with less than 95 days at 31 July | 8,031 | (1,833) | **6,198** |
|  | **14,629** | **(498)** | **14,131** |

**Following the review of the classification of cash equivalents and short term investments, it was identified that £1.9m of short term deposits with a 180 day term had been incorrectly included as part of 'cash and cash equivalents' in the previously reported numbers at 31 July 2021. These should have been classified as short term investments and therefore the financial statements have been restated to reflect this error.**

**The effect of this on the financial statements is as follows:**

1. **Consolidated and Central Balance Sheets - to increase short term investments at 31 July 2021 by £1.9m and reduce the cash and cash equivalents by £1.9m.**

**Notes to the Financial Statements for the year ended 31 July 2022**

1. **Consolidated Cash Flow Statement - to reduce the cash and cash equivalents at 31 July 2021 by £1.9m and to increase 'new current asset investments' by £1.9m within the Investing activities.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Consolidated reconciliation of net debt** | **31 July**  **2022** |  |  |  |
|  | **£'000** |  |  |  |
| **Net debt 1 August 2021** | **6,565** |  |  |  |
| Movement in cash and cash equivalents | 1,753 |  |  |  |
| **Net debt 31 July 2022** | **8,318** |  |  |  |
|  | **31 July**  **2021**  **(Restated)** | **Cash Movement** | **Non-cash Movement** |  |
| **Analysis of net debt:** |  | **31 July 2022** | |
|  | **£'000** |  |  | **£'000** |
|  |  |  | **29** |  |
| **Cash and cash equivalents** | **14,629** | **1,306** |  | **15,964** |
| **Unsecured loan amounts falling due within one year** |  |  |  |  |
|  | **(418)** | **418** | **(444)** | **(444)** |
| **Insecured loan: amounts falling due after more than one year** | | | | |
|  | **(7646)** | **-** | **444** | **(7,202)** |
| **Net debt** | **6,565** | **1,724** | **29** | **8,318** |

**Notes to the Financial Statements for the year ended 31 July 2022**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **20 Capital and other commitments** |  |  |  |  |
| Provision has not been made for the following capital commitments at 31 July 2021: | | | | |
|  |  | **31 July**  **2022** | **31 July**  **2021** |  |
|  |  | **Group**  **and Central** | Group  and Central |  |
|  |  | **£'000** | £'000 |  |
| Commitments contracted for |  | **49** | 217 |  |
|  |  | **49** | 217 |  |
| These commitments relate to various capital projects and North Block Building project (placed in service Jan-19). | | | | |
| **21 Financial commitments** |  |  |  |  |
| Central has an operating lease with St Peter's Church, Belsize Square London NW3 on which rent is payable (£15k p.a.) from 1 August 2016 onwards. The lease expires on 1 August 2023. | | | | |
| Central has an operating lease with Apogee for scanning and printing equipment (£49k p.a.) for the period from November 2020 to November 2025. | | | | |
| (a) the total of future minimum lease payments under non-cancellable operating leases for each of the following periods: | | | | |
|  |  |  | **2021/22** | 2020/2  1 |
| (i) not later than one year |  |  | 64 | 64 |
| (ii) later than one year and not later than five years | |  | 98 | - |
| (iii) later than five years |  |  | - | - |
| **(b) lease payments recognised as an expense** |  |  | **113** | 162 |
| **22 Contingent liabilities** |  |  |  |  |
| There are no contingent liabilities as at 31 July 2022 (31 July 2021: nil). | | | | |
| **23 Related Party Transactions** |  |  |  |  |
| Central has transaction with a number of connected organisations. Details of transactions with related parties are shown below.  . In accordance with FRS 102 section 33 no disclosure has been made of intra-group transactions and balances eliminated on consolidation. | | | | |
|  | **Expenditure** | | **Nature of Transaction** |  |
| **Transaction** |  |  |
| **2022**  **£000** | **2021**  **£000** |  |  |
| Central Students  Union | (20) | (20) | Student Union grant |  |

**Notes to the Financial Statements for the year ended 31 July 2022**

24 Pension Scheme

The two principal pension schemes for Central’s staff are the Teachers’ Pension Scheme (TPS)

and the London Pensions Fund Authority Pension Fund (LPFA).

The TPS provides defined benefits for academic and related employees, and is valued every four years by actuaries using the aggregate method, the rates of contribution payable being determined on the advice of the actuaries.

The LPFA provides similar benefits for Administrative staff at Central. The scheme is valued every three years by actuaries using the projected unit method.

|  |  |  |
| --- | --- | --- |
| The total pension cost for Central was: | **Year Ended 31 July 2022** | **Year Ended 31 July 2021** |
|  | **£000** | **£000** |
| Teachers' Pension Scheme: Employer contributions paid | | |
| Contributions paid | 1,017 | 983 |
| London Pensions Fund Authority: |  |  |
| Employer contributions paid | 567 | 543 |
| Provisions for pension costs | 1,895 | 1,480 |
| **Total Pension Cost** | **3,479** | **3,006** |

Teachers’ Pension Scheme (TPS)

The TPS is an unfunded scheme. Contributions on a ‘pay-as-you-go’ basis are credited to the

exchequer under arrangements governed by the Superannuation Act 1972.

As noted above, the pensions cost is assessed every four years in accordance with the advice of the Government Actuary Department (GAD).

Since there is no agreement that determines how each employer within the multi-employer plan will fund the overall deficit, Central is exposed to volatile changes in contributions rates which might be other entities obligations and liabilities.

The last valuation of the TPS was published in March 2019 and valued the scheme as it stood in 2016. The valuation estimated that there was a £21.9 billion deficit (a 90% funding level)

Under definitions set out in Financial Reporting Standard 102 section 28 Retirement Benefits, the TPS is a multi-employer pension scheme. Central is unable to identify its share of the underlying (notional) assets and liabilities of the scheme.

Accordingly, Central has taken advantage of the exemption in FRS 102 section 28 and accounted for its contributions to the scheme as a defined contribution scheme.

**Notes to the Financial Statements for the year ended 31 July 2022**

**Valuation Balance Sheet**

|  |  |  |
| --- | --- | --- |
|  | **£Billion 31 March**  **2016** | **£Billion**  **31 March 2012** |
| **Aggregate Scheme Assets** | **196.1** | **176.6** |
| Aggregate Scheme Liabilities in respect of: | | |
| Active members | 80.9 | 74.7 |
| Deferred pensioners | 19.2 | 17.4 |
| Pensioners | 117.9 | 99.4 |
| **Total aggregate scheme liabilities** | **218.0** | **191.5** |
| **Surplus / (shortfall) as at valuation date** | **(21.9)** | **(14.9)** |

LPFA

The London Government Pension Scheme (LGPS) is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings.

Full details of the benefits being valued are as set out in the Regulations as amended and summarised on the LGPS website [www.lgpsregs.org/](http://www.lgpsregs.org/) and the Fund’s membership booklet [www.lgpsmember.org/](http://www.lgpsmember.org/) .

The administering authority for the Fund is the London Pensions Fund Authority. The LPFA Board oversees the management of the Fund whilst the day-to-day fund administration is undertaken by the Local Pensions Partnership. Where appropriate some functions are delegated to the Fund’s professional advisers.

As administering authority to the Fund, the London Pensions Fund Authority, after consultation with the Fund Actuary and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Investment Strategy Statement. These should be amended when appropriate based on the Fund’s performance and funding.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The Actuarial valuation of the Fund to 31 March 2022 has taken place contributions for the period from 1 April 2023 to 31 March 2026 will be confirmed in November 2022. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

On the Employer’s withdrawal from the Fund, a cessation valuation will be carried out in accordance with Regulation 64 of the LGPS Regulations 2013 which will determine the termination contribution due by the Employer, on a set of assumptions deemed appropriate by the Fund Actuary.

### Notes to the Financial Statements for the year ended 31 July 2022

25. Supplementary Schedule

This schedule has been compiled from the Section 2 Example Financial Statements included in the Federal Register/Vol. 84, No. 184 / Monday, September 23, 2019 / Rules and Regulations.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Expendable Net  Assets |  | 31 July 2022  £000’s | | 31 July 2021  £000’s | |
| Statement of Financial Position - Net assets without donor  restrictions | Net assets without donor restrictions |  | 29,327 |  | 16,115 |
| Statement of Financial Position - Net assets with donor restrictions | Net assets with donor restrictions |  | 2,648 |  | 2,640 |
| Statement of Financial Position - Related party receivable and Related  party note disclosure | Secured and Unsecured related party receivable | - | - | - |  |
| Statement of Financial Position - Related party receivable and Related  party note disclosure | Unsecured related party receivable |  | - |  | - |
| Statement of Financial Position - Property, Plant and equipment, net | Property, plant and equipment, net (includes Construction in  progress) | 34,069 |  | 35,045 |  |
| Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment -  pre-implementation | Property, plant and equipment - pre- implementation |  | 33,890 |  | 34,785 |
| Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation with outstanding debt  for original purchase | Property, plant and equipment - post- implementation with outstanding debt for original purchase |  | - |  | - |
| Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment -  post-implementation | Property, plant and equipment - post- implementation without outstanding debt for original  purchase |  | 179 |  | 260 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| without outstanding debt for original purchase |  |  |  |  |  |
| Note of the Financial Statements - Statement of Financial Position - Construction  in progress | Construction in progress |  | - |  | - |
| Statement of Financial Position - Lease right- of-use assets, net | Lease right-of-use asset, net | - |  | - |  |
| Note of the Financial Statements - Statement of Financial Position - Lease right- of-use asset pre-  implementation | Lease right-of-use asset pre- implementation |  | - |  | - |
| Note of the Financial Statements - Statement of Financial Position - Lease right- of-use asset post-  implementation | Lease right-of-use asset post- implementation |  | - |  | - |
| Statement of Financial Position - Goodwill | Intangible assets |  | 34,069 |  | - |
| Statement of Financial Position - Post- employment and  pension liabilities | Post-employment and pension liabilities |  | 3,003 |  | 15,188 |
| Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction  in process | Long-term debt - for long term purposes | 7,646 |  | 8,077 |  |
| Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction  in process | Long-term debt - for long term purposes pre-implementation |  | 7,646 |  | 8,077 |
| Statement of Financial Position - Note Payable and Line of Credit for | Long-term debt - for long term purposes post-implementation |  | - |  | - |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| long-term purposes (both current and long term) and Line of Credit for Construction  in process |  |  |  |  |  |
| Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction  in process | Line of Credit for Construction in process |  | - |  | - |
| Statement of Financial Position - Lease right- of-use asset liability | Lease right-of-use asset liability | - |  | - |  |
| Statement of Financial Position - Lease right- of-use asset liability  pre-implementation | Pre-implementation right-of-use leases |  | - |  | - |
| - Statement of Financial Position - Lease right- of-use asset liability  post-implementation | Post- implementation right-of-use leases |  | - |  | - |
| Statement of Financial Position - Annuities | Annuities with donor restrictions |  | - |  | - |
| Statement of Financial Position - Term endowments | Term endowments with donor restrictions |  | - |  | - |
| Statement of Financial Position - Life Income Funds | Life income funds with donor restrictions |  | - |  | - |
| Statement of Financial Position - Perpetual Funds | Net assets with donor restrictions: restricted in  perpetuity |  | 2,648 |  | 2,640 |
| Total Expenses and Losses | | | |  |  |
| Statement of Activites  - Total Operating Expenses (Total from Statement of Activities prior to adjustments) | Total expenses without donor restrictions - taken directly from Statement of  Activities |  | 21,474 |  | 20,148 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Statement of Activites - Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension,  Change in value of  split-interest agreements and Other gains (loss) - (Total from Statement of Activities prior to  adjustments) | Non-Operating and Net Investment (loss) |  | - 14,377 |  | 106 |
| Statement of Activites  - (Investment return appropriated for spending) and Investments, net of annual spending, gain  (loss) | Net investment losses |  | -71 |  | -128 |
| Statement of Activities  - Pension related  changes other than periodic pension | Pension-related changes other than net periodic costs |  | - |  | - |
| Modified Net Assets | | | |  |  |
| Statement of Financial Position - Net assets without donor  restrictions | Net assets without donor restrictions |  | 29,327 |  | 16,115 |
| Statement of Financial Position - total Net assets with donor  restrictions | Net assets with donor restrictions |  | 2,648 |  | 2,640 |
| Statement of Financial Position - Goodwill | Intangible assets |  | 34,069 |  | - |
| Statement of Financial Position - Related party receivable and Related  party note disclosure | Secured and Unsecured related party receivable | - |  | - |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Statement of Financial Position - Related party receivable and Related  party note disclosure | Unsecured related party receivable |  | - |  | - |
| Modified Assets | | | |  |  |
| Statement of Financial Position - Total Assets | Total Assets |  | 89,862 |  | 55,514 |
| Note of the Financial Statements - Statement of Financial Position - Lease right- of-use asset pre-  implementation | Lease right-of-use asset pre- implementation |  | - |  | - |
| Statement of Financial Position - Lease right- of-use asset liability  pre-implementation | Pre-implementation right-of-use leases |  | - |  | - |
| Statement of Financial Position - Goodwill | Intangible assets |  | 34,069 |  | - |
| Statement of Financial Position - Related party receivable and Related  party note disclosure | Secured and Unsecured related party receivable | - |  | - |  |
| Statement of Financial Position - Related party receivable and Related  party note disclosure | Unsecured related party receivable |  | - |  | - |
| Net Income Ratio | | | |  |  |
| Statement of Activities  - Change in Net Assets Without Donor  Restrictions | Change in Net Assets Without Donor Restrictions |  | 13,251 |  | -1,665 |
| Statement of Activities  - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed  Assets, gains (losses) | Total Revenue and Gains |  | 20,356 |  | 18,787 |