

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Directors	G. F. Pine (appointed 1 September 2008) S. Coen - CEO, joint principal and accounting officer (appointed 7 May 2002) S. J. Atkins (appointed 30 October 2015) L. de Abreu - joint principal and artistic director (appointed 5 November 2008) D. G. Hayes (appointed 25 June 2013) J. K. A. Hunt (appointed 5 March 2008) M. H. Skinner (appointed 12 June 2008) K. Turner (appointed 12 June 2008) J. P. Emery (appointed 27 June 2016) K. K. Chahal (appointed 1 July 2020) T. Wanogho-Maud (appointed 1 July 2020)
Company secretary	S.C.R. Secretaries Ltd
Registered number	03088287
Registered office	1 Bedford Row London WCR1 4BZ
Trading address	Alma Road Sidcup Kent DA14 4ED
Independent external auditors	Venthams Chartered Accountants & Statutory Auditors 51 Lincoln's Inn Fields London WC2A 3NA
Solicitors	Greenwoods GRM LLP 1 Bedford Row London WC1R 4BZ
Key management personnel/Senior management team	Key management personnel are defined as members of The College Leadership Team S. Coen - CEO, joint principal and accounting officer L. de Abreu - joint principal and artistic director L. Figuerola - assistant principal J. Stanning - assistant principal S. Smith - assistant principal

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

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DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2020

The directors present their report and the audited financial statements for the year ended 31 July 2020.

LEGAL STATUS

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

PRINCIPAL ACTIVITY

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

The College also provides peripatetic, instrumental and vocal tuition to local Primary Schools under a contract with the Local Education Authority as well as individual tuition for pupils and instrumental groups. The directors have decided to consolidate its provision, focusing on education and training programmes for students intending to pursue a career in the theatre and related professions. It is anticipated that music services provision will transfer to another local education provider during 2020/21.

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

MISSION, VISION, GOALS AND OBJECTIVES

Our Mission is to:

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

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

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

MISSION, VISION, GOALS AND OBJECTIVES (CONTINUED)

Our vision is to:

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

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

Our goals are:

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

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

Our financial objectives are:

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

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020****FINANCIAL POSITION***Results for the period:*

The College generated an operating surplus in the year of £396,373 (2019: £135,560).

2019/20 was a challenging year due to the Covid-19 pandemic. This situation was unprecedented and the directors took every possible step to secure the position of the College to offset the effects of lost income due to the cancellation of courses and events. Significant cost savings were because of the regulations associated with Covid-19. The funds received through the Job Retention Scheme (Furlough) enabled the college to retain staff who were not able to fulfil their duties remotely when the campus was required to close.

The College recognises that it was unable to provide the students of the College with all necessary practical lessons during periods of enforced lockdown and has undertaken to provide these students (even those who have graduated at July 2020) with the opportunity to attend "catch up classes" which the College will provide free of charge once lockdown is lifted to those students who wish to attend these sessions.

There was a continued increase in student numbers at the intake in September 2019.

Other operating expenses were reduced because it was not necessary to incur some costs as a result of the cancelled courses and events. As a consequence of the coronavirus pandemic, the College was, for example, unable to put on its annual end of year performance at a local theatre resulting in reduced costs on Theatre Production expenses. Operating expenses include an estimate for the costs of the "catch up classes" that will be provided to those students who attended during the year and an estimate of the cost of providing a graduation ceremony for the 2020 graduates.

The operating profit for the year is stated after deduction of a payment of £Nil (2019: £65,725) to the College's parent company charity in respect of the taxable profits earned in the previous year and excluding this the profit would have been £396,373 (2019: £201,285). It is anticipated that the taxable profits for the year amounting to £377,461 (2019: £Nil) will be paid to the parent company by 30 April 2021. The effect of the payment of these Gift Aid amounts means that The College does not have a Corporation Tax liability and as it is the intention of the directors to continue this policy in the future there is no requirement to include deferred tax.

The College adopted a policy of revaluation of all its assets at 31 July 2015 with additions since that date being shown at cost. This resulted in a surplus on revaluation of being recognised in the accounts and depreciation being calculated on the revalued amounts. The excess depreciation on the revalued amounts (included in total expenditure used to calculate the operating profit) amounted to £94,783 (2019: £37,942) This amount is adjusted from the revaluation reserve to the profit and loss account in the statement of changes in equity.

After taking into account the profit for the year, but excluding the anticipated Gift Aid payment to be made after the end of the year, The College had accumulated reserves at 31 July 2020 of £1,267,071 (2019: £870,698) and cash balances of £596,547 (2019: £448,147). The directors regard these accumulated reserves and cash balances as satisfactory for the Company's immediate needs but are conscious of the need to maintain these in order to fund the Gift Aid payment and the property transactions mentioned elsewhere in this report.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020****FINANCIAL POSITION (CONTINUED)***Support from external and government bodies:*

The College continues to be reliant upon funding from national and local education grants and 64% (2019: 64%) of income comes from these grants.

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

Degree students fund their own fees. All qualifying students can access a loan to cover these through the student loan company. Greenwich University acts as a conduit for these funds and passes the funding to The College.

Cash flows and liquidity

Net cash flow from operating activities was £305,841 (2019: £-234,824). This represents a strong performance due to an improvement in operating performance before depreciation.

The College's parent company has arranged loans and facilities to acquire and refit a new building that the College now occupies which enabled the College to relocate from a range of dispersed sites to a one-site facility. The parent company has drawn down this loan in full since February 2016 and used the funds to refit the site so it is suitable for occupation by the College. The parent company has continued to expand the site with the addition of new buildings. The College pays a market rent for the site but has financed some of the parent's company's costs from its own funds.

Treasury policy and objectives

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

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

Reserves

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support the College's core activities. As at the balance sheet date the reserves are as set out in the Statement of Changes in Reserves. The College has adopted a policy of paying any operating surplus for the year to its parent charity, so it is the directors' intention to maintain the reserves at current levels through the generation of annual operating surpluses.

STAFF AND STUDENTS*Student numbers*

During 2019/20 the College had 598 (2019: 569) students who were funded in a range of ways. The College also provides music services for the benefit of approximately 3,000 pupils in primary schools at Key Stage 2.

Staff numbers

Details of staff numbers are set out in Note 7 to the accounts.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020****STAFF AND STUDENTS (CONTINUED)***Student achievements*

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

Staff and student involvement

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

Equal opportunities and employment of disabled persons

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

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

- Adopting the use of inclusive language.
- Examining teaching materials within Departments.
- Challenging inappropriate remarks to or about an individual group.
- Valuing the role of all members of the College and encouraging them to participate and lead in all college activities.
- Considering the practically, where necessary, of adapting premises and equipment and providing special aids for the disabled.
- Stressing the need for all members of the College to listen to each other as part of a sound work ethic.
- Promoting positive views of all members of the wider community.

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

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

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

RESOURCES

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

Stakeholder relationships

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

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

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

Premises and assets

The College operates from the campus at Alma Road which is owned by its parent company. A masterplan is in place to further develop and make best use of the site to offer the College community facilities of an exceptional standard. The reliance on external rented spaces is much reduced and spaces are rented on an ad hoc basis.

Reputation

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

DIRECTORS

The directors who served during the year are set out in the table below but further information regarding these is given in the Statement of Corporate Governance.

G. F. Pine (appointed 1 September 2008)
S. A. Coen - CEO, Joint Principal and Accounting Officer (appointed 7 May 2002)
S. J. Atkins (appointed 30 October 2015)
L. de Abreu - Joint Principal and Artistic Director (appointed 5 November 2008)
D. G. Hayes (appointed 25 June 2013)
J. K. A. Hunt (appointed 5 March 2008)
M. H. Skinner (appointed 12 June 2008)
K. Turner (appointed 12 June 2008)
J. P. Emery (appointed 27 June 2016)
K. K. Chahal (appointed 1 July 2020)
T. Wanogho-Maud (appointed 1 July 2020)

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

PRINCIPAL RISKS AND UNCERTAINTIES

The College has well developed strategies for managing risk and strives to embed risk management in all that it does. Risk management processes are designed to protect the College's assets, reputation and financial stability. The Board of Directors and relevant sub-committees have undertaken further work during the year including developing the system of internal control, including financial, operational and risk management which is designed to protect The College's assets and reputation.

A risk register is maintained which is reviewed by the Directors. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks.

Risks are prioritised using a consistent scoring system. The Board of Directors undertakes a comprehensive review of the risks to which the College is exposed. Some of this review is undertaken by sub-committees of the Board, including the Financial and General Purposes Committee and the Health and Safety Committee.

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

The main risk factors affecting the College are outlined below along with the action taken to minimise them. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

Risk: Tuition fee policy

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

The risk is mitigated in a number of ways:-

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

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Risk: Government and local authority funding

The College has considerable reliance on continued government funding through the further and higher education sector funding bodies. In 2019/20 64% (2018/19: 64%) of The College's revenue was ultimately publicly funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

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

The risk is mitigated in a number of ways:-

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

Risk: Legislation and health and safety

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

The risk is mitigated in a number of ways:-

- Setting up a health and safety sub-committee to look at all aspects of health and safety.
- Appointment of an Operations Manager and additional premises supervisors.
- Engaging a specialised health and safety company to carry out formal risk assessments on the assets of the College.
- Engaging a specialised human resources company to ensure that all staff matters are in accordance with the relevant legislation.
- Ensuring that all staff receive adequate training in health and safety matters.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Risk: Impact of the coronavirus (Covid-19) pandemic

The College has been affected by the worldwide impact of the pandemic caused by the coronavirus (Covid-19) which was identified as a worldwide threat during the period covered by these accounts and accordingly the impact of any factors resulting from the virus up to the date of these accounts are considered in these accounts. The impact of these factors are continuing post year end and the uncertainty of not knowing how long this situation will go on represents a material risk.

The major risks associated with the impact of the coronavirus (Covid-19) have been assessed as:

- A possible drop in students and fee income from other sources.
- An inability to use the company's premises for teaching purposes.
- An impact on the entity's supply chain.
- An impact on the entity's work force.
- An impact on cash from either losses or changes of income or payments schedules for suppliers.
- Not knowing how long this situation will go on.

The risks are being mitigated by detailed planning and contingency measures being put in place by the Board of Directors and the senior management team. These include:

- Use of Government funded schemes to finance employees placed on furlough.
- Revision to detailed cash flows and budgets under various scenarios.
- Discussions with suppliers to arrange payment plans and to defer planned capital expenditure.
- Where possible arranging for the workforce to work off site.

The College has three immediate and key objectives to reduce the impact and detrimental effects caused by the impact of the virus:

- Protect the education and training of the student body.
- Continuing to recruit exceptional students.
- Protect the financial health of the organisation to secure its future.

The sound financial planning and measures put in place by the management team have ensured that the College is in a reasonable financial and operating position to cope with the immediate effects of the pandemic but it is appreciated that longer term planning considerations are also required.

The Company is aware that due to the pandemic it was not able to provide a full level of teaching facilities to the students during the year and is intending to offer the students who studied in the year a series of Catch Up Classes. An estimate of the costs of providing the classes to such students has been made and included as an accrual in these accounts.

The impact of factors resulting from the virus are ongoing and not knowing how long this situation will go on represents a material uncertainty. The Directors set out their considerations regarding going concern in Note 2.1.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

FUTURE DEVELOPMENTS

Impact of the coronavirus (Covid-19) pandemic

As noted in the principal risks and uncertainties section above and in Notes 2.1 and 18, the College has been impacted by the effects of the coronavirus (Covid-19) pandemic. These effects are wide ranging and cannot be determined with accuracy as the pandemic is ongoing at the date of approval of the financial statements, and not knowing how long this situation will go on represents a material uncertainty.

COMPANY'S POLICY FOR THE PAYMENT OF CREDITORS

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

POST BALANCE SHEET EVENTS AND FUTURE PROSPECTS

Impact of the coronavirus (Covid-19) pandemic

The College has continued to be affected by the impact of the coronavirus (Covid-19) pandemic. Details of this are set out in the Principal Risks and Uncertainties Section above and in Notes 2.1 and 18.

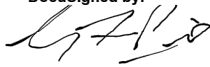
AUDITORS

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

SMALL COMPANIES NOTE

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

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

DocuSigned by:

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G. F. Pine
Director

Date: 6 April 2021

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

STATEMENT OF RESPONSIBILITIES OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2020

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

Company law requires the directors to prepare audited financial statements for each financial year. Under those laws and the terms and conditions of a Financial Memorandum agreed between the Company and the Education and Skills Funding Agency ("ESFA") the Company has to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The Company is also required to prepare the accounts in accordance with the 2019 Statement of Recommended Practice "Accounting for Further and Higher Education" issued by Universities UK and guidance in the "College Accounts Direction 2019 to 2020 - Financial reporting requirements for sixth-form and further education colleges" issued by ESFA and the related "College Accounts Direction Handbook 2019/20" issued by The Association of Colleges.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these audited financial statements, the directors are required to:

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

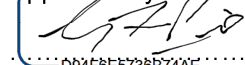
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act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

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

The Directors are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition they are responsible for ensuring that the funds from ESFA are only used in accordance the Financial Memorandum with that body and any other conditions that may be prescribed from time to time.

The Directors must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure that these funds are used properly. In addition the Directors are responsible for securing the economical, efficient and effective management of the Company's resources and expenditure, so that the benefits that should be derived from the application of public funds are not put at risk.

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



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

Date: 06 April 2021

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2020

The College is committed to exhibiting best practice in all aspects of corporate governance. The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1st August 2019 to 31st July 2020 and up to the date of approval of the annual report and financial statements.

GOVERNANCE CODE

The College 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).
- In full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code")

In the opinion of the Governors, the College complies with/exceeds all the provisions of the Code, and it has complied throughout the year ended 31 July 2020. This opinion is based on an internal review of compliance with the Code. The Board of Directors recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it has formally adopted.

THE BOARD OF DIRECTORS

The composition of the Board of Directors who served during the year is set out in the Director's Report and comprises two Executive and various Non-Executive Directors. The company secretary is S.C.R. Secretaries Limited, a corporate secretarial company administered by the Company's legal advisers.

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

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

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

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

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

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

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

SUBCOMMITTEES

The College conducts its business through a number of subcommittees set with terms of reference approved by The Board of Directors. Each subcommittee has terms of reference which are approved by the Directors.

The Executive Directors, S, Coen and L. De Abreu are members of most of the subcommittees as noted below. Where relevant full minutes of all sub committee meetings are maintained and provided to the directors.

Finance and General Purposes subcommittee:

This subcommittee's remit is to ensure the College is accountable for the proper use of public funds and the effective use of its financial resources. It advises on relevant strategic issues including the management and development of the College's assets. The subcommittee scrutinises all aspects of the budget, including staffing, and formally submits it to the board of directors for approval. It is specifically responsible for recommending pay for the Executive Directors.

The subcommittee comprises solely of the Executive Directors and some Non-Executive Directors. The following Non- Executive directors are members of this subcommittee.

G. F. Pine
D. Hayes
J. Emery

Equality & Diversity subcommittee:

This subcommittee's remit is to monitor all aspects of equality, diversity and inclusion at all levels of the College structure. This includes access, recruitment, retainment and progression. It ensures that the College meets the individual needs of everyone within its diverse community and that their voices are heard and represented equitably.

The subcommittee comprises of the Executive Directors, trustees of the holding company and staff & student members.

Environmental sub committee

This subcommittee's remit is to apply sustainable development across college activities, working closely with staff, students and our wider community to help change the world for the better, aligning with the College's core values.

The subcommittee comprises of staff & students with an interest in environmental matters.

Health & Safety subcommittee

This subcommittee's remit is to review and monitor health and safety matters to ensure compliance with applicable laws and regulations and to deliver excellence in all areas.

The subcommittee comprises of the Executive Directors and suitable staff members.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

SUBCOMMITTEES (CONTINUED)

Academic Board

The Academic Board monitors the Artistic and Academic work of all programmes delivered by the College. Recommendations are made to the Executive Group where action or new initiatives are intended in the areas of admissions, quality assurance, teaching, learning, assessment and vocational preparation.

The Academic Board comprises of the Executive Directors, staff & student representatives and a representative from the sponsoring University.

Executive Group

The Executive Group prepares and receives reports setting out key performance and risk indicators and consider possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. Recommend and implement change where appropriate.

The Executive Group comprises of the Executive Directors & Assistant Principals.

Management Group

The Management Group is responsible for having an overview of all aspects of the college and ensuring compliance. Each member has the appropriate expertise in their area of responsibility. They prepare reports for consideration by the Executive Group and the Board of Directors and its subcommittees and they implement operational change

The Management Group comprises of the members of the Executive Group, the Executive Assistant/HR Manager, the Management Accountant, the Operations Manager, the Academic & Assessments Manager and the Head of Singing & Voice as a teaching representative.

IMPACT OF COVID-19

The Board of Directors and the Sub Committees have not always been able to meet in person throughout the period that the COVID-19 pandemic has had an impact. The impact of the pandemic on the affairs of The College is set out elsewhere in the financial statements, but the Board of Directors have continued to have effective communications and if appropriate members using online faculties and other lines of communication.

THE DOREEN BIRD FOUNDATION

The Trustees of The Doreen Bird Foundation, which owns all the share capital in the Company meets three times a year and receives reports from the Board of Directors and relevant sub committees. Individuals are appointed as Trustees / Directors of the Foundation following the requirements of the Companies Acts and serve an unspecified term.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020****INTERNAL CONTROL***Scope of responsibility*

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

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

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

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

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

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

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

INTERNAL CONTROL (CONTINUED)

Review of effectiveness of system of internal control

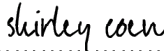
As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. This review is informed by the work of the Executive Group within the College who have responsibility for the development and maintenance of the internal control framework, and comments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

The Executive Group receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training.

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

Approval

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

DocuSigned by:

.....
85B025DF2C454AA...
S. A. Coen

Director, CEO, Joint Principal and Accounting Officer

DocuSigned by:

.....
094F...6B74AE...
G. F. Pine

Director and Chair

Date: 06 April 2021

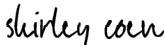
DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

**STATEMENT ON THE COLLEGE'S REGULARITY, PROPRIETY AND COMPLIANCE WITH FUNDING BODY
TERMS AND CONDITIONS OF FUNDING
FOR THE YEAR ENDED 31 JULY 2020**

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

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

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

DocuSigned by:

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

DocuSigned by:

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

Date: 06 April 2021

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

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

Opinion

We have audited the financial statements of Doreen Bird College of Performing Arts Limited (the 'Company') for the year ended 31 July 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 18 in the financial statements, which sets out the Company's considerations on the impact of the coronavirus (Covid-19) pandemic. As stated in note 18 the impact of these factors are ongoing and not knowing how long this situation will go on represents a material uncertainty. The Directors have set out their assessment of going concern in note 1.2 and consider that the going concern basis in the preparation of the Financial Statements remains appropriate. The material uncertainty regarding how long the situation will go on may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Mark Taylor (Senior Statutory Auditor)

for and on behalf of

Venthams

Chartered Accountants
Statutory Auditor

51 Lincoln's Inn Fields
London
WC2A 3NA

8 April 2021

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2020

	Note	2020 £	2019 £
Income			
Funding body grants	4	4,012,424	3,847,965
Tuition fees and education contracts	5	1,656,581	1,877,527
Other operating income	6	555,629	269,058
Bank deposit interest receivable		195	527
Total income		6,224,829	5,995,077
Expenditure			
Staff costs	7	(4,210,959)	(3,979,708)
Depreciation, amortisation and losses on disposals	11	(232,450)	(230,936)
Other operating expenses	9	(1,385,047)	(1,583,148)
Gift aid payment to holding company		-	(65,725)
Operating profit		396,373	135,560

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

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income and expenditure.

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 25 to 43 form part of these financial statements.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED
REGISTERED NUMBER:03088287

BALANCE SHEET
AS AT 31 JULY 2020

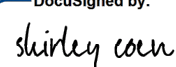
	Note	2020 £	2019 £
Non current assets			
Tangible fixed assets	11	1,164,193	1,239,204
		<u>1,164,193</u>	<u>1,239,204</u>
Current assets			
Stocks	12	22,856	24,249
Debtors: amounts falling due within one year	13	103,151	107,628
Cash at bank and in hand	14	596,547	448,147
		<u>722,554</u>	<u>580,024</u>
Creditors: amounts falling due within one year	15	(619,676)	(948,530)
Net current assets/(liabilities)		<u>102,878</u>	<u>(368,506)</u>
Total assets less current liabilities		<u>1,267,071</u>	<u>870,698</u>
Total net assets		<u><u>1,267,071</u></u>	<u><u>870,698</u></u>
Capital and reserves			
Called up share capital	16	1,000	1,000
Revaluation reserve	17	47,536	142,319
Profit and loss account	17	1,218,535	727,379
		<u>1,267,071</u>	<u>870,698</u>

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

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

DocuSigned by:

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G. F. Pine
 Director and Chair

DocuSigned by:

 95B029DF20434AA.....
S. A. Coen
 Director, CEO, Joint Principal and Accounting Officer

Date: 6 April 2021

Date: 6 April 2021

The notes on pages 25 to 43 form part of these financial statements.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2020

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 August 2018	1,000	180,261	553,877	735,138
Comprehensive income for the year				
Profit for the year	-	-	135,560	135,560
Transfers between revaluation and profit and loss account reserves	-	(37,942)	37,942	-
Balance at 1 August 2019	1,000	142,319	727,379	870,698
Comprehensive income for the year				
Profit for the year	-	-	396,373	396,373
Transfers between revaluation and profit and loss account reserves	-	(94,783)	94,783	-
Balance at 31 July 2020	1,000	47,536	1,218,535	1,267,071

The notes on pages 25 to 43 form part of these financial statements.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	396,373	135,560
Adjustments for:		
Depreciation of tangible fixed assets	223,003	215,739
Loss on disposal of tangible fixed assets	9,447	15,199
Decrease/(increase) in stocks	1,393	(22,341)
Decrease in debtors	4,477	42,483
(Decrease)/increase in creditors	(6,542)	9,925
(Decrease) in amounts owed to group company	(322,310)	(631,389)
Net cash generated from operating activities	<u>305,841</u>	<u>(234,824)</u>
Cash flows from investing activities		
Payments made to acquire fixed assets	(157,956)	(360,996)
Proceeds from sale of fixed assets	515	-
Net increase/(decrease) in cash and cash equivalents	<u>148,400</u>	<u>(595,820)</u>
Cash and cash equivalents at beginning of year	448,147	1,043,967
Cash and cash equivalents at the end of year	<u><u>596,547</u></u>	<u><u>448,147</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	596,547	448,147
	<u><u>596,547</u></u>	<u><u>448,147</u></u>

The notes on pages 25 to 43 form part of these financial statements.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

1. Statement of accounting policies and estimation techniques

1.1 Basis of preparation of accounting

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have also been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP) and the associated College Accounts Direction for 2019 to 2020..

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

The following principal accounting policies have been applied:

1.2 Going concern

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

As noted in Note 18 and also the principal risks and uncertainties section of the Directors' Report, The College has been impacted by the effects of the coronavirus (Covid-19) pandemic. The effects of the pandemic are wide ranging and cannot be determined with accuracy as the pandemic is ongoing at the date of approval of the financial statements, and not knowing how long this situation will go on represents a material uncertainty.

The College is reliant on the support of its parent company in particular in not demanding repayment of the inter- company balance mentioned in the related party transactions note 21.

The Directors have considered in detail the possible effects of the factors above and, taking in to account a period exceeding 12 months from the date of approval of these financial statements, the Directors have a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

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

1.3 Recognition of income

Revenue grant funding

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

Fee income and bursaries

Tuition Fees and Education Contracts represent amounts receivable from students, parents, Local Education Authorities and Sponsors in respect of tuition fees for the year under consideration. The cost of providing bursaries and funding from the Company's own funds is excluded from tuition fees. Bursaries met by other parties are included as Tuition Fees.

Agency arrangements

The College acts as an agent in the collection and payment of certain discretionary support funds and any other arrangements. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of The College.

1.4 Expenditure

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

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

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

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

1.5 Tangible fixed assets and depreciation

Equipment costing less than £100 per individual item is written off to the Statement of Comprehensive Income in the year of acquisition. All other equipment is capitalised at cost.

As stated in Note 11 following the reorganisation of The College into one site in 2016, a detailed review of Fixed Assets was carried out and a policy was adopted of revaluing those assets which existed at the transfer to a new site at their market value at the date of the transfer. Additions subsequent to the transfer to the new site, and the costs involved with the creation of Fixed Assets within the new site are shown at cost.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Gains and losses on revaluation are recognised in the Statement of Comprehensive Income with a separate revaluation reserve being shown in the Balance Sheet.

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

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

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

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

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

Depreciation is provided on the following basis:

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

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020****1. Statement of accounting policies and estimation techniques (continued)****1.6 Revaluation of tangible fixed assets**

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

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

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits in which case the excess losses are recognised in profit and loss.

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.8 Debtors and prepayments

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash and cash equivalents

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

1.10 Creditors

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

1.11 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

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

1.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

1.13 Pensions

Defined contribution pension plan

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

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

1.14 Exceptional items

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

2. General information

The Company was incorporated in England as The Doreen Bird College of Performing Arts Limited on the 7 August 1995 under the provisions of the Companies Act 1985. The company is Limited by shares.

The Company trades as a college of education in the performing arts using the name of Bird College and is referred to in these reports as both The Company and The College.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

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

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

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

Impact of the coronavirus (Covid-19) pandemic

Management have considered the uncertainty arising from the coronavirus (Covid-19) pandemic that has occurred during the financial year but is continuing up to the date on which these financial statements are approved. The risks that The College are exposed to and the steps taken to mitigate them are set out in the Director's Report and in Notes 1.2 and 18.

The Company is aware that due to the pandemic it was not able to provide a full level of teaching facilities to the students during the year and is intending to offer the students who studied in the year a series of Catch Up Classes. An estimate of the costs of providing the classes to such students has been made and included as an accrual in these accounts.

Tangible fixed assets

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

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

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

Leases

Management determine whether leases entered into by the College as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

4. Funding body grants

	2020 £	2019 £
Education and Skills Funding Agency - Dance and Drama Awards	864,023	876,593
Greenwich University for BA and Foundation Degree	3,148,401	2,971,372
	<u>4,012,424</u>	<u>3,847,965</u>

5. Tuition fees and education contracts

Tuition fees charged	486,574	472,011
Pre-professional course fees	377,584	408,520
Private lessons and examinations	48,274	70,603
Summer and Easter short courses	71,513	68,114
Arts Council - Music Hub	395,714	397,537
Music services - school income	88,834	151,472
Music services - local authority income	1,112	23,001
Music department income	130,225	212,962
PPA income	56,751	73,307
	<u>1,656,581</u>	<u>1,877,527</u>

6. Other operating income

	2020 £	2019 £
Agency commission	31,166	25,378
Audition fees	57,998	56,860
Income from productions and shows	27,404	98,666
Student tours	6,455	52,555
Musical instrument hirings	14,599	13,036
Miscellaneous income	23,152	22,563
Coronavirus job retention scheme income	394,588	-
	<u>555,362</u>	<u>269,058</u>

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

7. Employee and staff details

	2020 £	2019 £
The staff costs incurred by the company were as follows:		
Wages and salaries	3,687,015	3,509,172
Social security costs	320,060	306,722
Staff pension costs - defined contribution scheme	203,884	163,814
	<u>4,210,959</u>	<u>3,979,708</u>

The average monthly number of employees, including the key management personnel but excluding non-executive unpaid part time directors employed by The College during the year, described as full-time equivalents, was as follows:

	2020 No.	2019 No.
Directors	2	2
Other key management personnel	3	3
Teaching staff	62	61
Non teaching staff	31	32
	<u>98</u>	<u>98</u>

8. Directors' and key management personnel remuneration

Key management personnel are defined those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by The College leadership team which comprises

	2020 No.	2019 No.
Directors (joint principals)	2	2
Other key management personnel (assistant principals)	3	3
	<u>5</u>	<u>5</u>

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

Directors' remuneration and key management personnel remuneration

	2020 £	2019 £
Directors' emoluments	221,896	216,334
Directors' pension costs	41,009	20,128
Directors' national insurance	28,197	27,513
	<u>291,102</u>	<u>263,975</u>
Other key management remuneration		
Key management salaries	179,327	175,808
Key management pension costs	11,238	10,580
Key management national insurance	21,103	20,746
	<u>502,770</u>	<u>471,109</u>

During the year retirement benefits were accruing to 2 directors (2019 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration (including benefits in kind) of £121,138 (2019 - £119,788).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £21,230 (2019 - £10,960).

The total accrued pension provision of the highest paid director at 31 July 2020 amounted to £10,000 (2019 - £NIL).

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

	2020 No.	2019 No.
£55,001 to £60,000	3	2
£60,001 to £65,000	-	1
£95,001 to £100,000	-	1
£100,001 to £105,000	1	-
£115,001 to £120,000	-	1
£120,001 to £125,000	1	-
	<u>5</u>	<u>5</u>

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

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

9. Other operating expenses

A breakdown of the other operating expenses of the College is as follows.

	2020 £	2019 £
Teaching costs		
Printing, postage and stationery	19,645	27,107
Theatre production expenses and overseas tours	181,638	302,234
	<u>201,283</u>	<u>329,341</u>
Teaching support services costs		
Resources costs	7,104	7,744
Audition expenses	876	2,997
Teaching equipment repairs	9,950	11,186
External validation fees	39,768	30,949
Exam costs	6,605	28,137
Staff development fund	28,490	21,740
	<u>92,793</u>	<u>102,753</u>
Administration and central services costs		
Insurances	38,455	38,160
Printing postage and stationery	19,645	27,107
Telephone and internet	25,743	24,781
Bad and doubtful debts	3,168	1,572
Motor running costs	2,991	2,186
Hotels, travel and subsistence	5,201	8,116
Equipment leasing	9,578	10,310
Bank charges	8,390	8,447
Auditors' remuneration	12,300	10,980
Accountancy	9,900	9,900
Payroll services fee	7,200	7,200
Computer costs	108,887	103,030
Catering and College events	11,811	17,107
HR and and health and safety consultants	17,540	64,537
Staff recruitment	13,073	19,147
Legal and professional	32,848	20,253
Sundry expenses	13,787	9,848
	<u>340,517</u>	<u>382,681</u>

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**Other costs**

Marketing costs	98,191	94,757
Trade subscriptions	43,930	33,437
	<u>142,121</u>	<u>128,194</u>

Premises costs

Rent payable	272,919	332,622
Rates and water	16,452	16,046
Light and heat	50,793	61,148
Repairs to premises	71,590	65,373
Cleaning, laundry and hygiene	116,453	65,271
Alarms and vending maintenance	3,303	4,600
Canteen subsidy	68,178	82,489
Property consultancy fees	8,645	12,630
	<u>608,333</u>	<u>640,179</u>

Total other operating expenses

<u>1,385,047</u>	<u>1,583,148</u>
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DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

10. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	396,373	135,560
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	76,731	25,756
Effects of:		
Utilisation of tax losses	(3,663)	3,663
Short term timing differences (deferred tax) leading to an increase (decrease) in taxation	(1,350)	(41,907)
Tax effect of a Gift Aid payment made in a subsequent year	(71,718)	12,488
Total tax charge for the year	-	-

Factors that may affect future tax charges

The company intends to pay any taxable profits to its charitable holding company by way of a Gift Aid donation and accordingly will not have any future tax charge whilst this intention is maintained.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

11. Tangible fixed assets

	Short term leasehold property £	Costumes, props and instruments £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation					
At 1 August 2019	1,185,794	564,928	39,184	551,852	2,341,758
Additions	99,647	12,995	-	45,313	157,955
Disposals	-	-	-	(22,412)	(22,412)
At 31 July 2020	<u>1,285,441</u>	<u>577,923</u>	<u>39,184</u>	<u>574,753</u>	<u>2,477,301</u>
Depreciation					
At 1 August 2019	425,521	381,200	17,081	278,752	1,102,554
Charge for the year on owned assets	36,721	94,255	4,420	87,607	223,003
Disposals	-	-	-	(12,449)	(12,449)
At 31 July 2020	<u>462,242</u>	<u>475,455</u>	<u>21,501</u>	<u>353,910</u>	<u>1,313,108</u>
Net book value					
At 31 July 2020	<u>823,199</u>	<u>102,468</u>	<u>17,683</u>	<u>220,843</u>	<u>1,164,193</u>
At 31 July 2019	<u>760,273</u>	<u>183,728</u>	<u>22,103</u>	<u>273,100</u>	<u>1,239,204</u>

Following the reorganisation of The College into one site in 2016, a detailed review of Fixed Assets was carried out and because of difficulties in identifying individual assets, a policy was adopted of including all assets at a revalued amount at their estimated market value at the date of the transfer to the new site. The revaluation was carried out by the staff of The College in consultation with external contractors and the revaluation amount was approved by the Board of Directors.

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

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

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**12. Stocks**

	2020 £	2019 £
Finished goods and goods for resale	22,856	24,249
	<u>22,856</u>	<u>24,249</u>

13. Debtors

	2020 £	2019 £
Trade debtors	14,151	23,660
Other debtors	13,012	18,449
Prepayments and accrued income	75,988	65,519
	<u>103,151</u>	<u>107,628</u>

14. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	596,547	448,147
	<u>596,547</u>	<u>448,147</u>

15. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	80,627	112,138
Amounts owed to group undertakings	94,690	417,000
Other taxation and social security	111,622	98,766
Other creditors	69,204	60,967
Accruals and deferred income	263,533	259,659
	<u>619,676</u>	<u>948,530</u>

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**16. Share capital**

	2020	<i>2019</i>
	£	£
Allotted, called up and fully paid		
1,000 (<i>2019 - 1,000</i>) Ordinary shares of £1.00 each	1,000	<i>1,000</i>
	<u><u>1,000</u></u>	<u><u>1,000</u></u>

17. Reserves**Revaluation reserve**

The revaluation reserve represents the net surplus arising on the revaluation at 1 August 2015 of plant, equipment, costumes, musical instruments and other similar assets mentioned in note 11. The amount shown represents the difference between the net book value of the respective assets at the valuation date and the amount of the valuation.

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

Profit & loss account

The profit and loss account represent distributable reserves.

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020****18. Post balance sheet events and the impact of the coronavirus (Covid-19) pandemic****Impact of the coronavirus (Covid-19) pandemic**

The College continues to be affected by the worldwide impact of the pandemic caused by the coronavirus (Covid-19). At the year end the coronavirus (Covid-19) had been identified as a worldwide threat and accordingly the impact of any factors resulting from the virus up to the date of these accounts are considered in these accounts. The impact of these factors are continuing post year end and the uncertainty of not knowing how long this situation will go on represents a material uncertainty.

The major risks associated with the impact of the coronavirus (Covid-19) have been assessed as:

- a possible drop in students and fee income from other sources
- an inability to use the company's premises for teaching purposes
- an impact on the entity's supply chain
- an impact on the entity's work force
- an impact on cash from either losses or changes of income or payments schedules for suppliers
- not knowing how long this situation will go on.

The risks are being mitigated by detailed planning and contingency measures being put in place by the Board of Directors and the senior management team. These include:

- use of Government funded schemes to finance employees placed on furlough
- revision to detailed cash flows and budgets under various scenarios
- discussions with suppliers to arrange payment plans and to defer planned capital expenditure
- where possible arranging for the workforce to work off site.

The College has three immediate and key objectives to reduce the impact and detrimental effects caused by the impact of the virus:

- protect the education and training of the student body
- continuing to recruit exceptional students
- protect the financial health of the organisation to secure its future.

Other events

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

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

19. Contingent liabilities

.Value Added Tax (VAT) position

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

In coming to this conclusion, the directors have relied on a decision of the UK tax tribunals and the European Courts which have ruled that this type of income would not be taxable in an unconnected case concerning the VAT liability of certain supplies which are closely related to education.

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

If the opinion is not confirmed, The College may be required to retrospectively register for VAT and account for tax on supplies of non-exempt income from the date that it should have been registered for VAT.

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

Guarantee of borrowings of holding company

The Doreen Bird College of Performing Arts Limited has given an undertaking of £2,400,000 (2019: £2,400,000) to guarantee borrowings taken out by The Doreen Bird Foundation. This is secured by fixed and floating charges over the assets of The Doreen Bird College of Performing Arts Limited.

The Doreen Bird College of Performing Arts Limited has also given an indemnity on 26 January 2018 in respect of the total payments due under a lease agreement entered into by The Doreen Bird Foundation to provide a modular building on the property that is used by The College for the purpose of its trade. The indemnity was given for the full amount of the lease payments of £959,534..

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**20. Lease obligations**

At 31 July 2020 the Company had future minimum lease payments due under non-cancelable operating leases for each of the following periods:

	2020	2019
	£	£
In respect of land and buildings		
Not later than 1 year	250,000	250,000
Later than 1 year and not later than 5 years	1,000,000	83,333
Later than 5 years	4,750,000	-
	<u>6,000,000</u>	<u>333,333</u>

On 14 August 2019 the company signed a new lease for the premises for £250,000 per annum for a period of 25 years.

	2020	2019
	£	£
In respect of other leases		
Not later than 1 year	37,546	42,674
Later than 1 year and not later than 5 years	99,719	132,659
Later than 5 years	-	8,291
	<u>137,265</u>	<u>183,624</u>

DOREEN BIRD COLLEGE OF PERFORMING ARTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020****21. Related party transactions**

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

Apart from remuneration paid to two directors of the College as employees of the the College no expenses were paid to or on behalf of the Directors and no director has received any remuneration or waived payments from the College.

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

During the year rent of £250,000 (2019: £250,000) was paid by the College, in respect of properties owned by the Foundation which are occupied by the College for the purpose of its trade.

The College made a Gift Aid donation to the Foundation during the year of £Nil (2019: £65,725) in respect of the amount of the College's taxable profit for the previous year. The current year's taxable profits of £377,461 (2019: £Nil) will be paid in the next financial year.

The Foundation has agreed to provide support to the College by way of financing certain students' tuition fees by way of funding bursaries for those students. The bursaries awarded for the year amounted to £16,210 (2019: £31,792).

The Foundation has awarded prizes to the best performing students of the College for the year. These prizes are paid by the Foundation directly to the students concerned. The prizes awarded for the year amounted to £Nil (2019: £2,000).

The College bore legal costs of the Foundation relating to the landlords costs in the granting of a new lease to the College amounting to £4,800 (2019: £Nil).

The College owes the Foundation £95,819 (2019: £417,000) in respect of the inter-company current account and this amount is included in creditors due within one year. The amounts owed are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The Doreen Bird College of Performing Arts Limited has given an undertaking of £2,400,000 (2019: £2,400,000) to guarantee borrowings taken out by the Foundation. This is secured by fixed and floating charges over the assets of The Doreen Bird College of Performing Arts Limited. The Doreen Bird College of Performing Arts Limited has also given an indemnity in respect of the total payments due under the lease agreement that The Doreen Bird Foundation has taken out referred to in note 19 above.

22. Controlling party

In the opinion of the directors there is no ultimate controlling party.