

Registered Company Number: 364456
Registered Charity Number: 312821

LAMDA LIMITED
CONSOLIDATED REPORT
AND ACCOUNTS
YEAR ENDED 31 AUGUST 2002



LAMDA LIMITED
YEAR ENDED 31 AUGUST 2002

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LAMDA LIMITED
YEAR ENDED 31 AUGUST 2002
LEGAL AND ADMINISTRATIVE INFORMATION

BANKERS

Royal Bank of Scotland plc
City Office
62-63 Threadneedle Street
London
EC2R 8LA

Allied Irish Bank (GB)
Corporate Banking
10 Berkeley Square
London
W1X 6DN

SOLICITORS

Harbottle & Lewis
Hanover House
14 Hanover Square
W2R 0BE

AUDITORS

Horwath Clark Whitehill
25 New Street Square
London
EC4A 3LN

SURVEYORS

Farley & Co
46 Brompton Road
London
SW7 3DY

INSURANCE BROKERS

Morgans
41 Gay Street
Bath
BA1 2NT

REGISTERED AND PRINCIPAL ADDRESS

Tower House, 226 Cromwell Road, London, SW5 0SR.

LAMDA LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2002

CONSTITUTION

LAMDA Limited was incorporated as a company limited by guarantee on 20 December 1940, its company number is 364456. It is a registered charity, number 312821. It is governed by its Memorandum and Articles of Association, dated 20 December 1940.

OBJECTS

LAMDA (the London Academy of Music and Dramatic Art) is the longest established drama school in Britain and one of the most prestigious in the world. Its objects are the teaching of music and dramatic art in all its branches. It was founded in 1861 as a conservatoire for amateurs interested in music and public speaking. Since then it has grown into a highly professional organisation offering three services: -

The Drama School

Providing the finest training for actors and stage managers.

LAMDA Examinations

A drama and communications based examination syllabus which operates throughout the world.

LAMDA Business Performance

Providing expert advice and coaching for men and women in business who wish to improve their communication and presentation skills. These activities are undertaken in the wholly owned subsidiary.

Over the years LAMDA has built upon its strengths while keeping pace with the times so that it is now recognised as the most forward-looking academy of its kind in the world.

Our students join the Academy expecting to receive the very best training available and LAMDA is proud of its reputation for opening its doors to students of promise without regard to their background or financial circumstances. We believe that those training to work in the performing arts prosper in a learning environment, which mixes people from a variety of social and racial backgrounds and experiences. It is therefore essential that we can continue to help students requiring financial assistance with tuition fees and living expenses.

REVIEW OF ACTIVITIES

This year proved a year of consolidation and preparation for LAMDA's move to its new premises, formerly occupied by the Royal Ballet School at 155 Talgarth Road London W14. LAMDA will move there in the Spring of 2003.

The Academy also continued its preparations to join a new, elite group of dance-drama schools to be called the Conservatoire of Dance and Drama. This is in recognition of premium training and will attract premium subventions from government. LAMDA is set to join in 2004.

The move to new premises could not have been achieved without securing the confidence, in our business plans, of a number of institutions, but especially the Allied Irish Bank. The joining of the Conservatoire indicates the high regard in which our training courses are held by the educational establishment. Together they constitute an outside view of us as a fine and well-run school.

These long-term achievements, which will together transform the Academy's future, were matched by the year's financial results. Although not as good as in previous years, the year consolidated its position and the results reflect that position. All systems have worked with great efficiency and both staff and students worked with a great sense of common purpose.

LAMDA LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2002

REVIEW OF ACTIVITIES (CONTINUED)

The 3yr Acting Course and the 2yr Stage Management Course continue to be matched only by the Royal Academy of Dramatic Art in levels of application, astringency of selection and quality of delivery. The 2yr Acting Course for Post-Graduates and the Foundation Course are newer ventures but it is most gratifying to report the continuing rise in applications to them and the consequent rise in standards. Many from this year's Foundation Course either progressed with LAMDA or gained excellent places elsewhere. The number of actors attracting agents also increased in the 2yr Post-Graduate Course.

The contribution to the Academy's success made by the Examinations Department, reliable as it always is, was no less in this year. Without the Department's regular and ever-improving contribution to both finance and reputation, LAMDA's position in its sector would be greatly diminished.

GOVERNANCE

The Executive Board members, who are the trustees for charitable purposes, are the directors of LAMDA Limited. The Board meets six times in an academic year in September, November, January, March, May and July. The Audit Committee has one other member, who is not a trustee – John Heywood. The Audit Committee has specific terms of reference to look at the finances in more detail and to provide a link with the external auditors. The Advisory Council acts to assist the Board in making policy decisions.

EXECUTIVE BOARD

The Members of the Executive Board who served throughout the year except as otherwise noted were:

Luke Rittner (Chairman)
Harold Sanditen (Vice-Chairman)
Eileen Collins LLAM (Hons)
Jeremy Conway
Zoë Dominic *
Anthony Fry
Gerard Hargreaves
Lew Hodges * (appointed 24 January 2002)
Joyce Hytner
Doreen Jones
Ann Money – Coutts
Jennifer Page
Alice Rayman
Mark Schnebli *
Dallas Smith
Sue Stapely
Janet Suzman (Vice - Chairman of Advisory Council)
Thomas Vaughan
Wilfred Weeks
Timothy West CBE, FRSA (Chairman of Advisory Council)

(* Member of Audit Committee)

**LAMDA LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2002**

OFFICERS

Principal
Vice - Principal
Head of Examinations
Head of Finance and Company Secretary

Peter James FRSA
Colin Cook
Catherine Weate
Philip Newton ACMA (from 23 Jan 2003)
Tony Sprackling FCA (until 23 Jan 2003)

THE FINANCIAL RESULTS

The overall result for the year was a deficit on unrestricted funds of £32,207 (2001: £99,690) and a surplus on restricted funds of £327,327 (2001: £450,165). This gave a total surplus on all funds of £295,119 (2001: £549,855). There were some substantial grants received in the year for LAMDA's capital campaign and, once again, expenditure was kept within budget and income was better than expected. LAMDA Examinations again provided a substantial surplus to assist with the running of the Academy.

LAMDA Enterprises Limited, trading as LAMDA Business Performance, made a loss for the year of £26,766. The operation has scaled down over the last two years due to changes in the economic climate. Plans are now in place to re-juvenate the company.

The Development Department obtained a number of new bursaries during the year and, now that LAMDA has acquired new premises, embarked on a full-scale capital fund-raising campaign. Capital donations in this financial year totalled £372,000

REVIEW OF RISKS

The Board is responsible for the management of the risks faced by the charity. Detailed considerations of risk are delegated to the Audit Committee, who are assisted by senior charity staff. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis.

The key controls used by the charity include:

- o Formal agenda for Board activity
- o Detailed terms of reference for the Audit sub-committee
- o Comprehensive strategic planning budgeting and management accounting
- o Established organisational and governance structure and lines of reporting
- o Hierarchical authorisation and approval levels

Formal written procedures are being prepared and the trustees are developing a formal risk review policy.

Through the existing risk management processes established for the charity, the trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

**LAMDA LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2002**

RESERVES POLICY

The current year's free reserves as defined by the Charity Commissioners (total reserves less endowed/ restricted funds and fixed assets) are in deficit by £3.78m (2001: £3.72m). The increase is due to the substantial investment in new premises as stated above. In the short term the deficit will be covered by the bank loan of £2.25m (whose initial capital repayments are due in 2004/5) together with the agreed proceeds from the sale of Tower House which will amount to £1.875 m. In the longer term it is hoped that enhanced fundraising and healthy operating surpluses will leave the Academy with free reserves amounting to one month of average operating expenditure.

GRANT MAKING POLICY

LAMDA makes grants to students in the following ways:

Grants to specific individuals.

LAMDA assists students with applications to trusts and foundations to assist with their fees and maintenance costs. These grants are received by LAMDA and then paid out to the individuals concerned.

Other grants to individuals.

LAMDA holds restricted funds for the specific purpose of assisting students with their fees and maintenance costs. Students apply to the Appeals/ Hardship Committee, which meets three times each year, and grants are awarded to students considered to have most need.

**LAMDA LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2002**

STATEMENT OF EXECUTIVE BOARD MEMBERS' RESPONSIBILITIES

The Companies Act 1985 requires the Executive Board to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year.

In preparing the financial statements the Executive Board follow best practice and:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The Executive Board are responsible for keeping accounting records which disclose, with reasonable accuracy the financial position of the charity and to ensure that the financial statements comply with applicable law. They are also responsible for safeguarding the charity's assets, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities

AUDITORS

A resolution to re-appoint Horwath Clark Whitehill will be put to the forthcoming AGM.

Approved by the Trustees on **20 MARCH 2003**

and signed on their behalf by



Chairman

Date: **9 APRIL 2003**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAMDA LIMITED

We have audited the financial statements of LAMDA Limited for the year ended 31 August 2002 which comprise the Consolidated Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes set out on pages 12 to 22. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 12 and 13.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the directors and auditors

The responsibilities of the directors, who are also the charity trustees for the purposes of charity law, for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Executive Board Members' Responsibilities on page 7.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees Annual Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Trustees' Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Unqualified opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company as at 31 August 2002 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Horwath Clark Whitehill

Horwath Clark Whitehill
Chartered Accountants and Registered Auditors
Date

9 April 2003

25 New Street Square
London
EC4A 3LN

LAMDA LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2002

INCOME AND EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	2002 £	2001 £
INCOMING RESOURCES					
Voluntary Income					
Grants and Donations (Note 4)	14,741	547,011	-	561,752	616,604
Activities in furtherance of the Charity's objects					
Fees					
Drama School	2,197,313	-	-	2,197,313	2,070,723
Examinations	1,373,592	-	-	1,373,592	1,265,476
Examination Publications (Note 3)	27,216	-	-	27,216	35,843
Activities for Generating Funds					
Trading Subsidiary (Note 2)	77,933	-	-	77,933	88,837
Investment Income					
Interest	17,088	37,853	-	54,941	24,792
Other Incoming Resources (note 5)	<u>173,416</u>	<u>17,220</u>	<u>-</u>	<u>190,636</u>	<u>36,423</u>
TOTAL INCOMING RESOURCES	<u>3,881,299</u>	<u>602,084</u>	<u>-</u>	<u>4,483,383</u>	<u>4,138,698</u>
RESOURCES EXPENDED					
Cost of Generating Funds					
Fundraising and Publicity	86,843	-	-	86,843	76,008
Trading Subsidiary (note 2)	104,699	-	-	104,699	128,556
	<u>191,542</u>	<u>-</u>	<u>-</u>	<u>191,542</u>	<u>204,564</u>
Charitable Expenditure					
Drama School	1,787,516	17,220	-	1,804,736	1,619,638
Examinations	966,493	-	-	966,493	830,524
Examinations Publications (Note 3)	7,809	-	-	7,809	11,767
Premises and Equipment	400,626	-	-	400,626	383,599
Grants payable (note 9)	-	226,976	-	226,976	185,615
Support Costs	470,780	30,563	-	501,343	319,152
Management and Administration	88,740	-	-	88,740	33,984
Total Charitable Expenditure	<u>3,721,964</u>	<u>274,759</u>	<u>-</u>	<u>3,996,723</u>	<u>3,384,279</u>
TOTAL RESOURCES EXPENDED (Note 8)	<u>3,913,506</u>	<u>274,759</u>	<u>-</u>	<u>4,188,265</u>	<u>3,588,843</u>
NET MOVEMENT IN FUNDS	(32,207)	327,325	-	295,118	549,855
Balances brought forward at 1 September 2001	1,605,519	875,190	262	2,480,971	1,931,116
Balances carried forward at 31 August 2002	<u>1,573,312</u>	<u>1,202,515</u>	<u>262</u>	<u>2,776,089</u>	<u>2,480,971</u>

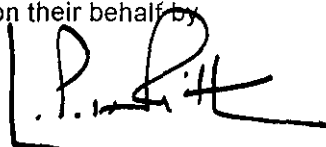
The notes on pages 12 to 22 form part of these accounts

LAMDA LIMITED
BALANCE SHEET
AS AT 31 AUGUST 2002

	Notes	Group 2002 £	Charity 2002 £	Group 2001 £	Charity 2001 £
FIXED ASSETS					
Tangible Fixed Assets	7	5,352,167	5,350,850	5,329,300	5,327,744
Investments	10	262	30,262	262	30,262
		5,352,429	5,381,112	5,329,562	5,358,006
CURRENT ASSETS					
Stocks	11	62,908	62,908	61,539	61,539
Debtors	12	182,307	154,986	90,295	38,930
Cash		804,880	786,884	693,393	686,471
		1,050,095	1,004,778	845,227	786,940
CREDITORS: due within one year	13	(1,376,435)	(1,348,399)	(1,443,818)	(1,429,340)
NET CURRENT LIABILITIES		(326,340)	(343,621)	(598,591)	(642,400)
TOTAL ASSETS LESS CURRENT LIABILITIES		5,026,089	5,037,491	4,730,971	4,715,606
CREDITORS: due in more than one year		(2,250,000)	(2,250,000)	(2,250,000)	(2,250,000)
NET ASSETS		2,776,089	2,787,491	2,480,971	2,465,606
ENDOWED FUNDS		262	262	262	262
RESTRICTED FUNDS	17	1,202,515	1,202,515	875,190	875,190
UNRESTRICTED FUNDS					
General funds		1,573,312	1,584,714	1,605,519	1,590,154
TOTAL FUNDS		2,776,089	2,787,491	2,480,971	2,465,606

Approved by the Trustees on 20 MARCH 2003
and signed on their behalf by

Chairman



The notes on pages 12 to 22 form part of these accounts

LAMDA LIMITED
GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2002

	Notes	2002 £	£	2001 £	£
NET CASH INFLOW FROM OPERATIONS	19		113,744		844,207
RETURNS ON INVESTMENT AND SERVICING OF FINANCE					
Interest received			54,941		24,792
			168,685		868,999
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Payment for tangible fixed assets (group)		(57,199)		(3,626,935)	
Proceeds from deposit on sale of property		-		600,000	
			(57,199)		(3,026,935)
NET CASH INFLOW/ (OUTFLOW)			111,486		(2,157,936)
FINANCING					
Bank Loan			-		2,250,000
INCREASE IN CASH IN THE YEAR			111,486		92,064
RECONCILIATION OF NET CASH					
Increase in cash in the year			111,486		92,064
Net cash at 1 September 2001			693,393		601,329
Net cash at 31 August 2002			804,879		693,393

The notes on pages 12 to 22 form part of these accounts

LAMDA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2002

1. ACCOUNTING POLICIES

The accounts of LAMDA Limited are prepared in accordance with the Companies Act 1985 and Accounting and Reporting by Charities: Statement of Recommended Practice October 2000 (Charities SORP 2000) and with applicable accounting standards. They are drawn up on the historical cost accounting basis except that investments held as fixed assets are carried forward at market value.

a) Fees and Similar Income

Fees receivable and charges for services are accounted for in the period in which the service is provided.

b) Donations

Donations received for the general purposes of LAMDA are credited to "Unrestricted Funds". Donations subject to specific wishes of the donors are included as restricted funds.

c) Expenditure

Expenditure is allocated to expense headings on a direct cost basis. Irrecoverable VAT is included with the item of expense to which it relates. Overheads are apportioned to the main headings in accordance with the time spent on those activities.

Costs of generating funds represent amounts paid for fundraising and publicity and trading expenditure.

Charitable expenditure comprises charitable grants and donations awarded by the Trustees in accordance with criteria set out in the memorandum and articles of association. Grants are charged to the statement of financial activities when allocations are unconditionally approved by the Trustees and promised to the recipient.

Charitable support expenditure represents an allocation of costs incurred in supporting the charitable activity.

Management and administration expenditure comprises costs incurred in administration and compliance with regulatory requirements.

d) Operating Leases

Rentals payable are charged on a straight-line basis over the lease term.

e) Pension Schemes

The Academy contributes to a Company Stakeholder Pension Scheme for permanent staff at 5% of annual pay for Heads of Department and 3% for all other staff.

LAMDA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2002

f) **Tangible Fixed Assets**

The transitional rules of Financial Reporting Standard 15 were adopted for the first time in the year ended 31 August 2001. Accordingly, book values for freehold properties have been retained and are being depreciated over their estimated useful lives. Book values are based on a valuation made on an open market basis on 11 February 1999 by independent surveyors. Depreciation is provided at rates to write off the cost on a straight-line basis as follows:

Freehold Buildings	Over 50 years
Stage and office equipment	Over 10 years
Computer equipment	Over 3 years

Items over £500 are capitalised where deemed to have an economic life.

g) **Stock**

Stock is carried at the lower of costs or net realisable value with the exception of examination syllabus which is written off over the life of the syllabus (i.e. over four years).

h) **Investments**

Fixed asset investments (other than the trading subsidiary) are included at year-end market value. The Academy holds the entire share capital of £30,000 £1 ordinary shares in LAMDA Enterprises Limited. This company trades as LAMDA Business Performance and was incorporated in January 1999.

i) **Consolidated Accounts**

Consolidated accounts have been prepared for the charity and its wholly owned subsidiary, LAMDA Enterprises Limited. No separate Statement of Financial Activities has been prepared for the charity, as the difference compared with the consolidated statement is not considered to be significant.

LAMDA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2002

2. TRADING SUBSIDIARY

Lamda Enterprises Limited is a wholly owned subsidiary of LAMDA Limited. Its activities are to train business and professional executives in improving their communication skills by using, amongst others, drama training techniques. It is one of the three constituent parts that form LAMDA.

	2002 £	2001 £
Profit and Loss Account		
TURNOVER	77,933	88,837
Cost of Sales	<u>(54,462)</u>	<u>(49,223)</u>
GROSS PROFIT	23,471	39,614
ADMINISTRATIVE EXPENSES	<u>(49,671)</u>	<u>(89,333)</u>
OPERATING PROFIT	<u>(26,200)</u>	<u>(49,719)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(26,200)	(49,719)
Taxation Recoverable/(Payable) on loss/(profit) on ordinary activities	<u>(566)</u>	<u>10,000</u>
Trading subsidiary net income	(26,766)	(39,719)
Gross Gift Aid payments to LAMDA Ltd	<u>-</u>	<u>-</u>
RETAINED (LOSS) FOR THE YEAR	<u>(26,766)</u>	<u>(39,719)</u>
Balance Sheet		
Tangible fixed assets	1,317	1,556
Current assets	53,217	58,286
Creditors - due to LAMDA	(7,900)	-
Other	<u>(28,036)</u>	<u>(14,478)</u>
Net Assets	<u>18,598</u>	<u>45,364</u>
Share Capital	30,000	30,000
Profit and Loss account	<u>(11,402)</u>	<u>15,364</u>
	<u>18,598</u>	<u>45,364</u>

3. EXAMINATION PUBLICATIONS

Sale of Publications		
Turnover	27,216	35,483
Cost of Sales	<u>(7,809)</u>	<u>(11,767)</u>
Surplus	<u>19,407</u>	<u>23,716</u>

Examination Publications relate to material produced to support the examination syllabus. Administration costs are covered by the Examinations Department.

LAMDA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2002

	2002 £	2001 £
4. GRANTS AND DONATIONS RECEIVABLE		
Garfield Weston Foundation	250,000	-
Foundation for Sport and the Arts	27,832	286,500
Royal College of Music	24,554	-
GTN Money Coutts	12,000	-
Jewish Federation of Tulsa Foundation	10,164	-
Babcock & Brown	10,000	-
Cameron Mackintosh Foundation	10,000	5,000
Eranda Foundation	10,000	-
T West	10,000	-
The Woo Charitable Foundation	10,000	-
Nicholas Hytner	9,501	-
Irene Worth	8,123	-
Anthony Hopkins Charitable Trust	8,000	-
Paul Hamlyn Foundation	7,000	-
Snipe Charitable Trust	7,000	6,000
Cadogan Charity	5,000	-
Hedley Foundation	5,000	5,000
Imagination	5,000	5,000
Leche Trust	5,000	5,000
MJ Weeks	5,000	-
Noel Coward Foundation	5,000	-
Lionel Bart Foundation	4,000	-
Reeves Foundation	4,000	-
Laura Pels	3,172	-
LA & MD Bullwinkle	3,000	-
Panasonic	3,000	-
RH Dobson & Mrs CP Dobson	3,000	-
Z Dominic	3,000	-
John S Cohen Foundation	2,500	-
RA Holmes	2,500	-
Arts Council of England	-	9,928
British Schools and Universities Foundation	-	4,984
C J Angliss	-	6,410
Fountain Court Chambers	-	20,000
G T N Money-Coutts	-	12,000
Hamlyn Foundation	-	6,500
John Lyons Charity	-	12,000
John Studzinski	-	37,000
Lee Strasberg Scholarship	-	3,236
Leverhulme Trust	-	20,000
Mary Friday	-	9,467
Mrs G V Li	-	5,000
Mrs Georgia Oetker	-	12,000
Rosenblatt Solicitors	-	5,000
Stanley Foundation	-	2,500
Stanley Thomas Johnson Foundation	-	10,000
The Trusthouse Charitable Foundation	-	30,000
W & R Graham	-	12,000
Others (under £2,500)	89,406	86,079
	<u>561,752</u>	<u>616,604</u>

LAMDA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2002

	2002 £	2001 £
5. OTHER INCOME		
Boston University - Course Fee	10,156	15,040
Rent Received	160,000	-
Sundries	3,260	4,500
Sponsorship of Modern Repertoire	17,220	16,883
	<u>190,636</u>	<u>36,423</u>

	2002 £	2001 £
6. STAFF COSTS		
Wages & Salaries	1,360,841	1,174,170
Social Security costs	108,935	96,859
Pension Contributions	32,602	24,302
	<u>1,502,378</u>	<u>1,295,331</u>

The average number of employees in the year was 81 (2001:80) of which 47 (2001:48) were part-time teaching staff

The number of employees whose emoluments exceeded £50,000 was:-

	No.	No.
£60,000 - £70,000	1	-
£50,000 - £60,000	<u>-</u>	<u>1</u>

Pension costs paid during the year for higher paid employees amounted to £3,430

During the current year and prior year, Trustees received no remuneration and were not reimbursed for expenses.

LAMDA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2002

7. TANGIBLE FIXED ASSETS - CHARITY

	Freehold land and buildings £	Stage and office equipment £	Computers £	Costumes and fighting equipment £	Total £
Cost or valuation					
As at 1 September 2001	5,239,683	172,732	54,706	31,087	5,498,208
Additions	<u>26,129</u>	<u>6,667</u>	<u>21,338</u>	<u>2,691</u>	<u>56,825</u>
As at 31 August 2002	<u>5,265,812</u>	<u>179,399</u>	<u>76,044</u>	<u>33,778</u>	<u>5,555,033</u>
Depreciation					
As at 1 September 2001	22,000	99,646	40,433	8,385	170,464
Charge for the year	<u>11,000</u>	<u>10,934</u>	<u>8,619</u>	<u>3,166</u>	<u>33,719</u>
As at 31 August 2002	<u>33,000</u>	<u>110,580</u>	<u>49,052</u>	<u>11,551</u>	<u>204,183</u>
Net book value					
At 31 August 2002	<u>5,232,812</u>	<u>68,819</u>	<u>26,992</u>	<u>22,227</u>	<u>5,350,850</u>
At 31 August 2001	<u>5,217,683</u>	<u>73,086</u>	<u>14,273</u>	<u>22,702</u>	<u>5,327,744</u>

Group tangible fixed assets are not materially different from those of the charity.

LAMDA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2002

8 ANALYSIS OF TOTAL RESOURCES EXPENDED

2002	Staff Costs £	Other £	Depreciation £	2002 Total £
Costs of Generating Funds				
Fundraising and publicity	54,770	32,073	-	86,843
Trading expenditure	16,915	87,172	612	104,699
Charitable Expenditure				
Grants payable	-	226,976	-	226,976
Costs of Activities in Furtherance of the Charity's Objects				
Drama School	1,161,185	643,551	-	1,804,736
Examinations	215,871	750,622	-	966,493
Examination publications (note 3)	-	7,809	-	7,809
Premises and equipment	-	400,626	-	400,626
Support Costs	-	467,624	33,719	501,343
Management and Administration	15,240	73,500	-	88,740
Total Charitable Expenditure	1,463,981	2,689,953	34,331	4,188,265
 2001	 Staff Costs £	 Other £	 Depreciation £	 2001 Total £
Costs of Generating Funds				
Fundraising and publicity	43,881	32,127	-	76,008
Trading expenditure	44,091	83,946	519	128,556
Charitable Expenditure				
Grants payable	-	185,615	-	185,615
Costs of Activities in Furtherance of the Charity's Objects				
Drama School	1,054,815	564,823	-	1,619,638
Examinations	181,455	649,069	-	830,524
Examination publications (note 3)	-	11,767	-	11,767
Premises and equipment	-	383,599	-	383,599
Support Costs	-	286,448	32,704	319,152
Management and Administration	15,180	18,804	-	33,984
Total Charitable Expenditure	1,339,422	2,216,198	33,223	3,588,843

Management and administration includes audit fee of £10,003 (2001: £9,279) and legal fees of £32,890 (2001: £9,525). Included in expenditure are operating lease rentals of £27,737 (2001: £31,761).

9. GRANTS PAYABLE

Grants paid are awarded to individuals.

LAMDA has awarded 71 grants during the year to the value of £225,848 for students to aid them with their fees and maintenance costs.

LAMDA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2002

10. INVESTMENTS

	Group 2002 £	Charity 2002 £	Group 2001 £	Charity 2001 £
Market Value at 31 August				
Listed government stock	262	262	262	262
Investment in unlisted subsidiary (note 2)	-	30,000	-	30,000
	<u>445</u>	<u>30,445</u>	<u>445</u>	<u>30,445</u>
Cost at 31 August				
	<u>445</u>	<u>30,445</u>	<u>445</u>	<u>30,445</u>

11. STOCKS - CHARITY AND GROUP

	2002 £	2001 £
Medals and Certificates	16,631	19,420
Publications	45,522	41,364
Other	755	755
	<u>62,908</u>	<u>61,539</u>

12. DEBTORS

	Group 2002 £	Charity 2002 £	Group 2001 £	Charity 2001 £
Trade Debtors	108,691	73,470	53,346	11,981
Sundry Debtors	36,546	44,446	26,026	16,026
Prepayments	37,070	37,070	10,923	10,923
	<u>182,307</u>	<u>154,986</u>	<u>90,295</u>	<u>38,930</u>

LAMDA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2002

13.	CREDITORS: due within one year	Group 2002 £	Charity 2002 £	Group 2001 £	Charity 2001 £
	Deposit received on the sale of Tower House	600,000	600,000	600,000	600,000
	Fees received in advance	612,484	612,484	560,786	560,786
	Trade creditors	72,536	44,500	65,322	57,432
	Taxation and social security	26,263	26,263	28,369	21,781
	Other creditors and accruals	65,152	65,152	189,341	189,341
		<u>1,376,435</u>	<u>1,348,399</u>	<u>1,443,818</u>	<u>1,429,340</u>

Movements on fees received in advance:	2002 £
Fees received in advance at 1 September	560,786
Fees received during the year	2,016,061
Fees released for the current year	(2,049,012)
Fees in advance from prior year	<u>84,649</u>
Fees in advance at 31 August	<u>612,484</u>

14.	CREDITORS: due in more than one year	2002 £	2001 £
	Bank loan (secured by a charge over the new premises purchased in the financial year 2001 at 155 Talgarth Road, Hammersmith, London)	<u>2,250,000</u>	<u>2,250,000</u>

The amounts falling due between 2 to 5 years amount to £365,336 (2001: £237,650) and after 5 years amount to £1,884,664 (2001: £2,012,350).

Terms of repayment for this loan are over 15 years and the rate of interest is 6.552%.

15.	ANALYSIS OF NET ASSETS	Fixed assets £	Investment £	Net Current Assets £	Long Term Liabilities £	Total £
	Endowment funds	-	262	-	-	262
	Restricted funds	286,500	-	916,015	-	1,202,515
	Unrestricted funds	<u>5,065,667</u>	<u>-</u>	<u>(1,242,355)</u>	<u>(2,250,000)</u>	<u>1,573,312</u>
		<u>5,352,167</u>	<u>262</u>	<u>(326,340)</u>	<u>(2,250,000)</u>	<u>2,776,089</u>

16.	ENDOWED FUNDS	2002 £	2001 £
	Prizes and other funds	<u>262</u>	<u>262</u>

LAMDA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2002

17. RESTRICTED FUNDS	<i>Balance 1 September 2001 £</i>	<i>Incoming Resources and transfers £</i>	<i>Outgoing Resources and transfers £</i>	<i>Balance 31 August 2002 £</i>
Old building fund	23,877	716	-	24,593
Bursary fund	18,189	546	-	18,735
Student hardship fund	91,093	153,810	(217,849)	27,054
Other funds	59,556	2,469	(23,220)	38,805
Panasonic/ Globe	146,394	4,392	-	150,786
Capital	495,993	416,390	(15,965)	896,418
Angel's scheme	40,088	22,946	(16,910)	46,124
	<u>875,190</u>	<u>601,269</u>	<u>(273,944)</u>	<u>1,202,515</u>

Transfers of £16,404 have been made from Other Funds and the Angels scheme to the Capital fund, to reflect the true nature of the donations.

The restricted funds are held for the following purposes

Old building fund	This relates to old monies given for LAMDA premises
Bursary fund	Old monies given to help students with fees and/ or living expenses
Student hardship fund	These monies are used to help students with difficulties paying fees and/ or living expenses
Other funds	Various old funds for Prizes/ Bursaries and for similar purposes
Panasonic/ Globe	To fund Panasonic/ Globe Scholars
Capital	This relates to monies received for new LAMDA premises
Angels Scheme	Fund to help students with fees and/or living expenses

18. OPERATING LEASE COMMITMENTS

At 31 August 2002 the charity was committed to making operating lease payments during the following year in respect of operating leases:

	<i>2001 £</i>	<i>2001 £</i>
Within 12 months	-	2,519
Which expire between 2 and 5 years	<u>24,752</u>	<u>24,752</u>

LAMDA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2002

19 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW OF OPERATIONS

	2002 £	2002 £	2001 £	2001 £
Net incoming resources		295,118		549,855
Depreciation charges	34,331		32,704	
(Increase) in stocks	(1,369)		17,265	
Decrease in debtors	(92,012)		20,270	
(Decrease) in creditors	<u>(67,383)</u>		<u>248,905</u>	
		(126,433)		319,144
Interest received		<u>(54,941)</u>		<u>(24,792)</u>
Net cash inflow from operations		<u>113,744</u>		<u>844,207</u>

20. ANALYSIS OF NET DEBT

	1 September 2001 £	Cashflow £	31 August 2002 £
Cash at bank	<u>693,393</u>	<u>111,486</u>	<u>804,879</u>
Total	<u>693,393</u>	<u>111,486</u>	<u>804,879</u>