

**BRIT-AM DRAMA ACADEMY**  
(Limited by Guarantee)  
Registered Charity No. 291796

**Statement of accounts**

**for the year ended**

**30th April 2003**



**Slater Maidment**  
Chartered Accountants  
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London SW1Y 4JU

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**BRIT-AM DRAMA ACADEMY**  
**GOVERNORS AND OFFICERS**

**Governors**

A. Arends  
 Sir Anthony Colman  
 D. H. Conville OBE (resigned 1st May 2003)  
 R. N. Cottrell  
 G. M. Hall  
 Sir David Hancock (appointed 2 October 2003)  
 M. Harley  
 J. D. Harris (Chairman)  
 M. A. B. Harrison  
 R. A. McManigal  
 M. G. Rawstorne  
 F. M. Shaw  
 S.G.G Stokes (appointed 1 May 2003)  
 D. Warner  
 P. Wesson

**Secretary**

A. G. Branch

**Address of the principal office of the company**

14 Gloucester Gate  
 Regents Park  
 London NW1 4HG

**Auditors (and address of registered office)**

Slater Maidment  
 7 St James's Square  
 London SW1Y 4JU

**Bankers**

Clydesdale Bank plc  
 10 Fleet Place  
 London EC4M 7RB

**Solicitors**

Eversheds  
 Senator House  
 85 Queen Victoria Street  
 London EC4 4JL

## **BRIT-AM DRAMA ACADEMY**

### **REPORT OF THE BOARD OF GOVERNORS**

The Board of Governors of the Brit-Am Drama Academy present their annual report and audited financial statements for the year ended 30<sup>th</sup> April 2003 which have been prepared in accordance with the Statement of Recommended Practice (2000), "Accounting and Reporting by Charities", and with applicable accounting standards.

#### **Inception**

The Brit-Am Drama Academy was formed as a company limited by guarantee and with charitable status in 1984.

#### **Objects**

The principal objects of the company are to advance the education of, and to give instruction in, all aspects of the performing and theatrical arts. The company's objects are specified in full in its Memorandum and Articles of Association which are the company's governing documents.

#### **Governance**

The company is limited by guarantee and governed by its memorandum and articles of association. Each of the Governors is a member and each of the members is liable to contribute an amount not exceeding £1 in the event of the winding up of the company. The members of the Board of Governors constitute directors of the company for Companies Act purposes.

The Board of Governors, which meets quarterly, administers the Academy. There are sub-committees covering financial, legal and artistic matters. The Governors in office during the period and at the date of this report are set out on page 1.

New Governors are nominated by members of the board and then are interviewed by the Chairman. They are appointed where they have the necessary skills to contribute to the Charity's performance.

Each Governor has responsibility for monitoring the Charity's activities in specific operational areas and / or chairing sub-groups consisting of staff and they report points for action at Governor meetings. Governors therefore work closely with the staff in the organisation and although the day to day is delegated to staff, the Governors are informed of all its activities.

#### **Investment policy**

Under the Memorandum and Articles of Association, the Charity has the power to make any investment that the Governors see fit. The on-going strategy is to ensure that any investment made does not put the Charity to any financial loss and also ensures the long-term protection of its money. Hence the investment with Allied Dunbar secured no income in the year but its capital remained intact.

#### **Financial results**

The academy had a successful financial year with a surplus of income over expenditure of £51,891 (2002 – deficit - £103,542). Student numbers increased from last year's levels. Scholarships totalling £170,634 (2002 - £174,354) were awarded during the year enabling a greater variety of student to attend the programmes.

#### **Achievement of objectives**

During the year the Charity has continued to provide academic and practical education in the areas of theatrical and dramatic art. The Dean of the Academy, Ian Wooldridge in conjunction with Anthony Branch, is responsible for the style and content of the educational programmes and Carolyn Sands is responsible for the administrative matters and the welfare of the students. Actors, theatre directors and other specialists with high reputations within the theatre world instruct the participants on the programme in small groups and on a one to one basis.

**BRIT-AM DRAMA ACADEMY****REPORT OF THE BOARD OF GOVERNORS (CONTINUED)****Reserves policy**

At the 30<sup>th</sup> April 2003, Brit-Am Drama Academy had total reserves of £1,261,675 of which £300,000 is held in a scholarship fund. The Governors believe the reserves are appropriate to ensure the quality and numbers of students is maintained despite adverse international news. The Charity's recent move to its larger and more prestigious buildings mean costs have risen appreciably but it has enhanced our image and capacity to teach more students in a better environment.

**Risk management**

The Governors actively review the major risks that the Charity faces on a regular basis and continue to establish systems to mitigate the significant risks. During the year currency fluctuations between the dollar and the pound required forward purchasing to protect the Charity's income. Also the number and quality of students applying is imperative to its future reputation and the obvious effects of the fragile international situation is a constant cause of concern.

**Future plans**

The Brit-Am Academy faces the problem of attracting students of the highest calibre, given that the cost of the tuition is out of the reach of many. To this end, the Governors have sanctioned a marketing report in order to get full feedback on its present systems and to develop its future strategy.

**Equal opportunities**

The Brit-Am Academy uses its best endeavours to ensure that young people from every background can access its services. This is achieved by sensitive and inclusive marketing of the Charity's services.

The Brit-Am Academy is committed to equality of opportunity in employment so that nobody receives less favourable treatment on the grounds of race, colour, religion, nationality, ethnic origins, gender, marital status, sexuality or disability.

**Auditors**

The auditors, Slater Maidment, have indicated their willingness to continue in office, and a resolution proposing their re-appointment will be considered at the next Annual General Meeting.

**Small companies exemptions**

This report has been prepared in accordance with special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD



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J. D. HARRIS  
CHAIRMAN

Dated: 13 February 2004

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BRIT-AM DRAMA ACADEMY**

We have audited the financial statements of Brit-Am Drama Academy for the year ended 30th April 2003 set out on pages 5 to 13. These financial statements have been prepared under the historical cost convention and accounting policies set out on pages 7 and 8 and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

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 opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors' (being the Board of Governors) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 Report of the Board of Governors is not consistent with the financial statements, if the 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 company is not disclosed.

We read the Report of the Board of Governors and consider the implications for our report if we become aware of any apparent misstatements within it or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of audit 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 company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that 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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th April 2003 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.

LONDON

Dated:

16 February 2004



SLATER MAIDMENT  
Chartered Accountants and  
Registered Auditors

**BRIT-AM DRAMA ACADEMY**  
(Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 30TH APRIL 2003**

	Notes	General Fund £	Scholarship Fund £	2003 Total £	2002 Total £
<b>INCOME AND EXPENDITURE</b>					
<b>Incoming resources</b>					
Fees receivable		1,265,118	-	1,265,118	1,314,997
Accommodation		382,322	-	382,322	340,480
Other operating income		13,157	-	13,157	14,924
Donations	3	-	-	2,775	-
Bank interest receivable	4	25,122	-	25,122	36,405
Rental income		<u>126,583</u>	<u>-</u>	<u>126,583</u>	<u>34,179</u>
Total incoming resources		<u>1,812,302</u>	<u>2,775</u>	<u>1,815,077</u>	<u>1,740,985</u>
<b>Resources expended</b>					
Cost of activities in furtherance of the charity's objectives	5	1,476,079	-	1,476,079	1,548,207
Scholarships awarded		-	170,634	170,634	174,354
Managing and administering the charity	6	70,642	-	70,642	82,762
Depreciation		<u>45,831</u>	<u>-</u>	<u>45,831</u>	<u>39,204</u>
Total resources expended		<u>1,592,552</u>	<u>170,634</u>	<u>1,763,186</u>	<u>1,844,527</u>
Net income/(expenditure) for the year					
Before transfers	8	219,750	(167,859)	51,891	(103,542)
Transfers between funds		<u>(207,182)</u>	<u>207,182</u>	<u>-</u>	<u>-</u>
Net movement in funds for the year		12,568	39,323	51,891	(103,542)
Reserves brought forward at 1st May 2002		<u>949,107</u>	<u>260,677</u>	<u>1,209,784</u>	<u>1,313,326</u>
Reserves carried forward at 30th April 2003		<u>£961,675</u>	<u>£300,000</u>	<u>£1,261,675</u>	<u>£1,209,784</u>

**BRIT-AM DRAMA ACADEMY**  
(Limited By Guarantee)

**BALANCE SHEET AT 30TH APRIL 2003**

	Notes	£	2003 £	£	2002 £
<b>FIXED ASSETS</b>					
Tangible assets	9		339,042		384,873
Investments	10		<u>500,000</u>		<u>500,000</u>
<b>CURRENT ASSETS</b>			839,042		884,873
Debtors: - amounts receivable within one year	11	98,941		86,597	
- amounts receivable in more than one year	12	153,793		142,500	
Short term investments: Term deposit		-		300,000	
Cash at bank and in hand		<u>390,018</u>		<u>123,679</u>	
		642,752		652,776	
<b>CREDITORS: amounts falling due within one year</b>	13	<u>220,119</u>		<u>327,865</u>	
<b>NET CURRENT ASSETS</b>			<u>422,633</u>		<u>324,911</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET ASSETS</b>			<u>£1,261,675</u>		<u>£1,209,784</u>
<b>RESERVES</b>					
General fund	15		961,675		949,107
Scholarship fund	15		<u>300,000</u>		<u>260,677</u>
			<u>£1,261,675</u>		<u>£1,209,784</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002)

Approved on behalf of the Board of Governors on 13 January 2004

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J. D. HARRIS  
CHAIRMAN

**BRIT-AM DRAMA ACADEMY**  
**NOTES FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30TH APRIL 2003**

**1. Statement of directors' responsibilities**

For Companies Act purposes the Board of Governors are the directors. Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the directors are required to:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgments and estimates that are reasonable and prudent; and
- (iii) 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking steps for the prevention and detection of fraud and other irregularities.

**2. Constitution**

Brit-Am Drama Academy, a registered charity, is a company limited by guarantee not having a share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of its winding up.

**3. Accounting policies**

- (i) Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards and Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) issued in October 2000, and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

- (ii) Income and expenditure

Income is recognised in the period in which it is earned and expenditure in the period in which it is incurred. Fees received for courses held in the following period are shown as fees received in advance.

- (iii) Format of accounts

Advantage has been taken under paragraph 3(3) of Schedule 4 of the Companies Act 1985 which allows the format of the accounts to be adapted to reflect the special nature of the Charity's operations.



## BRIT-AM DRAMA ACADEMY

## NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

## FOR THE YEAR ENDED 30TH APRIL 2003

## 3. Accounting policies (continued)

## (iv) Restricted funds

Where specific grants and donations are received for a particular drama project these are allocated to a restricted fund and expenditure incurred on the project is applied against this fund.

## (v) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life as follows:

Motor vehicles	- 25% reducing balance
Equipment, furniture and fittings	- 25% straight line
Leasehold improvements	- over the term of the lease
Computer equipment	- 25% straight line

## (vi) Operating leases

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

## (vii) Foreign currency transactions

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction, all differences being taken to the profit and loss account. All balances at the year end are translated at the rate ruling at the balance sheet date.

## (viii) Pension scheme

The company operates a defined contribution scheme. Contributions to the scheme are charged to the profit and loss account in the accounting period to which they relate.

## (ix) Scholarship fund

This is a designated fund comprising funds the Governors have set aside from the general fund to meet the cost of scholarships awarded. Scholarships are awarded to individuals at the discretion of the academy.

## (x) Cost allocation

All costs are charged to cost of activities in furtherance of the charity's objectives unless they specifically relate to administrative expenses. Where members of staff and other expenses are utilised in both charitable and administrative work the costs have been apportioned accordingly.

## (xi) Investments

Investments are included in the balance sheet at cost and market value.

## BRIT-AM DRAMA ACADEMY

## NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

## FOR THE YEAR ENDED 30TH APRIL 2003

## 4. Donations received

	2003	2002
	£	£
North Bridge House	1,600	-
LGMC	650	-
The Comedy School	<u>525</u>	<u>-</u>
	<u>£2,775</u>	<u>-</u>

## 5. Cost of activities in furtherance of the charity's objectives

	2003	2002
	£	£
Accommodation	374,802	362,185
Teachers	251,539	210,321
Productions	56,388	59,169
Teaching rooms	12,152	10,724
Entertainment	17,656	15,258
Excursions	36,470	33,521
Books	19,548	9,772
Other expenses	12,681	2,331
College fees	83,166	135,352
Administrative wages and salaries	246,757	320,424
Property expenses	233,587	239,705
Travel	32,001	37,235
Advertising	33,946	37,001
Car expenses	3,131	6,100
Entertaining	4,254	8,102
Brochures	8,245	14,119
Auditions	1,523	3,115
Office equipment	6,882	5,527
Telephone and fax	5,043	7,136
Postage and courier	5,089	7,484
Printing and stationery	5,237	6,953
General expenses	4,499	7,635
Bank charges	1,960	1,839
Website	9,809	2,150
Other expenses	6,743	3,389
Loss on foreign exchange	<u>2,971</u>	<u>1,640</u>
	<u>£1,476,079</u>	<u>£1,548,207</u>

## 7. Managing and administering the charity

	2003	2002
	£	£
Financial management	49,453	60,737
Property expenses	12,421	12,617
Entertaining	1,063	2,025
Professional fees	3,105	2,883
Auditors' remuneration	<u>4,600</u>	<u>4,500</u>
	<u>£70,642</u>	<u>£82,762</u>

**BRIT-AM DRAMA ACADEMY**  
**NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 30TH APRIL 2003**

**8. Staff costs and governors remuneration**

	2003 £	2002 £
Wages and salaries	261,603	288,047
Social security costs	26,398	32,721
Pension costs	<u>17,342</u>	<u>13,706</u>
	<u>£305,343</u>	<u>£334,474</u>

The average number of employees during the year was 8 (2002 - 8).

In 2003 three (2002-four) Governors received remuneration from the company which was wholly earned in their capacity as tutors. The tutorial fees paid were:

	2003 £	2002 £
R. N. Cottrell	-	2,800
G. M. Hall	3,075	3,200
F. M. Shaw	2,467	2,702
D. Warner	1,704	1,704

In addition the following travel costs were reimbursed to Governors:

	2003 £	2002 £
M. Harley	500	500
M. G. Rawstorne	-	132
D. Warner	-	50
P. Wesson	107	62

Two employees earned more than £50,000 per annum, one whose earnings in 2003 fell within the band £70,001 to £80,000 (2002 - £120,001 to £130,000) and the other whose earnings in 2003 fell within the band £50,001 to £60,000 (2002-£100,001 to £110,000).

There were 6 members of staff (2002 - 6) to whom retirement benefits were accruing under a money purchase pension scheme.

**9. Net income for the year**

Is stated after charging	2003 £	2002 £
Operating leases – equipment	2,750	2,716
Operating leases – property rentals	190,000	190,000
Depreciation	45,831	39,204
Auditors' remuneration – external audit	4,600	4,500
Auditors' remuneration – other services	3,105	2,883

## BRIT-AM DRAMA ACADEMY

## NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

## FOR THE YEAR ENDED 30TH APRIL 2003

## 10. Tangible fixed assets

	Leasehold improvements £	Equipment, furniture & fittings £	Computer equipment £	Motor vehicles £	Total £
Cost:					
At 1st May 2002 and 30th April 2003	<u>347,791</u>	<u>46,206</u>	<u>23,253</u>	<u>29,495</u>	<u>446,745</u>
Depreciation:					
At 1st May 2002	30,180	16,665	3,963	11,064	61,872
Charge for the year	<u>26,101</u>	<u>9,309</u>	<u>5,813</u>	<u>4,608</u>	<u>45,831</u>
At 30th April 2003	<u>56,281</u>	<u>25,974</u>	<u>9,776</u>	<u>15,672</u>	<u>107,703</u>
Net book values:					
At 30th April 2003	<u>£291,510</u>	<u>£20,232</u>	<u>£13,477</u>	<u>£13,823</u>	<u>£339,042</u>
At 30th April 2002	<u>£317,611</u>	<u>£29,541</u>	<u>£19,290</u>	<u>£18,431</u>	<u>£384,873</u>

## 11. Fixed asset investment

UK investments at cost:

At 1st May 2002 and 30th April 2003 £500,000

Cash was deposited with Dunbar Bank plc in 2002 for a term of 5 years. Interest is receivable at a maximum rate of 12% less the total of any percentage quarterly falls in the FTSE top 100 company share index in the year. No account is taken of any percentage increases in the FTSE 100 during the same year. If the total of percentage quarterly falls over a year is more than 12% no interest is received but the capital remains unaffected.

## 12. Debtors: amounts receivable within one year

	2003 £	2002 £
Fees receivable	-	4,377
Sarah Lawrence College	43,873	26,245
Prepayments and accrued income	50,883	55,148
Other debtors	<u>4,185</u>	<u>827</u>
	<u>£98,941</u>	<u>£86,597</u>

Sarah Lawrence College accredits the London Theatre Programme and administers the applications process.

**BRIT-AM DRAMA ACADEMY**  
**NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 30TH APRIL 2003**

**13. Debtors: amounts receivable in more than one year**

This comprises a rental deposit which is repayable at the end of the lease.

<b>14. Creditors: amounts falling due within one year</b>	2003 £	2002 £
Fees received in advance (see note 15)	90,415	111,941
Accruals	<u>129,704</u>	<u>215,924</u>
	<u>£220,119</u>	<u>£327,865</u>

Accruals include an adjustment for the rent free period of £102,915 (2002-£140,915)

<b>15. Fees received in advance</b>	2003 £	2002 £
Balance at 1st May 2002	111,941	41,135
Fees received in respect of following year	90,415	111,941
Released to statement of financial activities	<u>(111,941)</u>	<u>(41,135)</u>
Balance at 30th April 2003	<u>£90,415</u>	<u>£111,941</u>

**16. Reconciliation of movements on funds**

	Balance at 1st May 2002 £	Incoming £	Movement in resources Outgoing £	Transfers £	Balance at 30th April 2003 £
General fund	949,107	1,812,302	1,592,552	(207,182)	961,675
Scholarship fund	<u>260,677</u>	<u>2,775</u>	<u>170,634</u>	<u>207,182</u>	<u>300,000</u>
	<u>£1,209,784</u>	<u>£1,815,077</u>	<u>£1,763,186</u>	<u>£ -</u>	<u>£1,261,675</u>

The total funds of the charity include a designated fund for scholarships which has been set aside out of general funds by the Governors. There are no restricted funds.

## BRIT-AM DRAMA ACADEMY

## NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

## FOR THE YEAR ENDED 30TH APRIL 2003

17. Analysis of net assets between funds	General Fund £	Scholarship Fund £	Total Funds £
Tangible fixed assets	339,042	-	339,042
Investments	500,000	-	500,000
Current assets	342,752	300,000	642,752
Current liabilities	(220,119)	-	(220,119)
Net assets at 30th April 2003	<u>£961,675</u>	<u>£300,000</u>	<u>£1,261,675</u>

18. Operating lease commitments	2003 £	2002 £
The charity is committed to the following operating lease rental payments next year on leases expiring:		
Between two and five years	2,750	2,716
After five years	<u>190,000</u>	<u>190,000</u>
	<u>£192,750</u>	<u>£192,716</u>

## 19. Taxation

The company is exempt from taxation under section 505 of the Income and Corporation Taxes Act 1988.

## 20. Related party transactions

Mr J. D. Harris, a Governor, is a consultant to Henmans, a firm of solicitors, which was paid £4,701 in 2002 for legal advice concerning its offices at 14, Gloucester Gate, Regents Park, London, NW1 4HG.