

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

Statement of accounts

for the year ended

30th April 2011

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BRIT-AM DRAMA ACADEMY
REPORT OF THE BOARD OF GOVERNORS

The Board of Governors of the Brit-Am Drama Academy (which operates under the name of the British American Drama Academy and BADA) presents its annual report and audited financial statements for the year ended 30th April 2011

Reference and administrative details

Governors

K A Arends
P Boulaye
M Boyle (Chairman)
Sir Anthony Colman
D Gelon (appointed 18th July 2010)
G M Hall
M Harley (USA)
J D Harris
M G Rawstorne
F M Shaw
S G G Stokes
P Wesson
M Whitlum-Cooper

Secretary

T M Denham FCA

Registered and Principal office

14 Gloucester Gate
Regents Park
London
NW1 4HG

Auditors

Baker Tilly UK Audit LLP
Hanover House
18 Mount Ephraim Road
Tunbridge Wells
Kent TN1 1ED

Bankers

Clydesdale Bank plc
88 Wood Street
London
EC2V 7QQ

Solicitors

Henmans LLP
5000 Oxford Business Park South
Oxford OX4 2BH

BRIT-AM DRAMA ACADEMY
REPORT OF THE BOARD OF GOVERNORS

Structure, governance and management

The Academy is a company limited by guarantee, registered in England and Wales No 1828640, governed by its Memorandum and Articles of Association dated 28th June 1984. It is a registered charity in England and Wales No 291796.

The Board of Governors is responsible for the activities of the Academy. Its members, who act both as Trustees of the Charity and Directors of the Company, are recruited for their skills and experience in particular areas of its activities. Where necessary, appropriate induction and training is provided. One third of the Governors retire each year and individuals may stand for re-election. The Board of Governors meets every four months. Day to day management of the Academy is delegated to a small team, under the leadership of the Dean and Director, Ian Wooldridge, who reports to the Governors regularly.

Financial supervision is exercised by the Director of Finance who reports to Governors through the Finance and Audit Subcommittee, which meets four-monthly to review the accounting and other management information.

The major risks to the Academy are kept under frequent review and addressed as necessary. As most of the Academy's students are from the United States of America, international events and the continuing economic downturn could adversely affect student numbers. However the continuing trend in the value of the US Dollar against Sterling has benefited us.

The Governors consider that the principal risks and uncertainties facing the Academy are as follows:

- maintenance of reputation,
- unforeseen reduction in student numbers,
- effect of exchange rate changes.

The Academy's financial risk management objectives are to ensure funding resources and to continue to monitor costs. The Finance and Audit Committee regularly reviews budgets, forecasts and currency exposure.

Objectives and activities

The objects, as detailed in the Memorandum of Association, include the advancement of education and the benefit of the community by stimulating and giving instruction in all aspects of the performing and theatrical arts, to establish, maintain and support courses for those who meet the Academy's criteria for participation, and to provide financial assistance to enable attendance.

The Academy seeks to achieve these aims through its residential summer programmes in Oxford and its Fall and Spring Term courses in London. Links with major universities and colleges in the United States of America, together with a policy of auditioning prospective students ensure a high standard of those attending the courses. Particular attention is paid to the overall experience enjoyed by the students. This also serves to encourage word of mouth promotion by alumni and teachers which is seen as one of the Academy's strengths, evidenced by the high level of interest in the programs encountered by our representatives as they visit colleges in the USA.

The assessment process for financial aid is seen as an integral part of the recruitment process and particular attention is paid to ensuring that gifted students are given assistance to enable them to attend the courses. This process involves both the Academy and the colleges with which it runs the courses. The Governors have considered the impact of the public benefit requirement including the guidance issued by the Charity Commission and believe that the Academy meets the tests. BADA has always sought to attract those who cannot afford the fees charged by the provision of scholarships and financial aid.

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

Achievements and performance

Student numbers during the year were 224 (2009/10 – 220), which was encouraging given the impact of the risks recognised by the Academy. The Academy set out to maintain its existing courses at their current high level despite the harsher financial climate forecast at the start of the year. From a qualitative viewpoint, the Academy's standing among its students and alumni appears to remain strong. Quantitatively, applications and attendances were close to budget which reflected expectations as to the effect of the US economic situation and the Academy's intention to maintain the quality of participants despite other pressures on student numbers.

Financial review

Fee income increased to £2,020,089 (2010 - £2,001,021). The results for the year show a net deficit of £30,357 (2010 – surplus of £1,949), despite the risks of which the Academy is aware. Within these figures, financial aid awards were £206,832 (2010 - £190,915), continuing the Academy's commitment to ensuring that financial need is not a barrier to participation in the programs.

The Academy's General Fund reserves at 30th April 2011 were £534,414 (2010 - £459,204), representing approximately four months' of charitable expenditure. This level is felt to be appropriate to the Academy's financial obligations both for staff and for premises.

It is the intention of the Governors to continue to increase the provision of financial aid in the future by utilising the Scholarship Fund. The Fund's reserves at 30th April 2011 were £299,979 (2010 - £405,546).

Plans for future periods

The Academy is looking into the possibility of running an additional course and will continue to assess the content and quality of the existing programs both internally and with the partner colleges and through feedback from students.

The Academy has initiated a program of outreach work in the USA to try to give more students the experience in which they would not otherwise be able to participate. The first project took place in Greensboro, North Carolina in March 2011.

Equal opportunities

The Academy uses its best endeavors to ensure that young people from every background can access courses and it 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. The Governors recognise that equal opportunities for students and staff should be an integral part of good practice within the workplace.

Statement of Governors' responsibilities

The Governors (who are also directors of the Brit – Am Drama Academy for the purpose of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRIT-AM DRAMA ACADEMY

REPORT OF THE BOARD OF GOVERNORS (CONTINUED)

Disclosure of information to auditor

The Governors confirm that so far as they are aware, there is no relevant audit information of which the company's auditor is unaware. They have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

Baker Tilly UK Audit LLP is deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Small companies' exemptions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Board of Governors on

15/11/11

and signed on their behalf by



N. Boyle
Chairman

**INDEPENDENT AUDITOR'S 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 2011 on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and auditor

As explained more fully in the Statement of Governors' responsibilities set out on page 3, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 30th April 2011 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the charity has not kept adequate accounting records, 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 trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Governors' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Governors' Report.

Baker Tilly UK Audit LLP

Nicholas Paul Sladden FCA DChA (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Tunbridge Wells

Dated 23 November 2011

BRIT-AM DRAMA ACADEMY
(Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30th April 2011

	Notes	Unrestricted funds General fund £	Scholarship fund £	2011 Total £	2010 Total £
Incoming resources					
Incoming resources from generated funds					
Investment income	3	134,434	1,265	135,699	126,291
Incoming resources from charitable activities					
Fees received from students		2,020,089	-	2,020,089	2,001,021
Total incoming resources		<u>2,154,523</u>	<u>1,265</u>	<u>2,155,788</u>	<u>2,127,312</u>
Resources expended					
Charitable activities					
Advancement of education	4	1,956,758	206,832	2,163,590	2,100,613
Governance costs	5	22,555	-	22,555	24,750
Total resources expended		<u>1,979,313</u>	<u>206,832</u>	<u>2,186,145</u>	<u>2,125,363</u>
Net incoming/(outgoing) resources before transfers	7	<u>175,210</u>	<u>(205,567)</u>	<u>(30,357)</u>	<u>1,949</u>
Transfers between funds	15	<u>(100,000)</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Net movement of funds in year		75,210	(105,567)	(30,357)	1,949
Total funds brought forward		<u>459,204</u>	<u>405,546</u>	<u>864,750</u>	<u>862,801</u>
Total funds carried forward	15	<u>534,414</u>	<u>299,979</u>	<u>834,393</u>	<u>864,750</u>


BRIT-AM DRAMA ACADEMY
(Limited by Guarantee)

BALANCE SHEET AT 30th April 2011

	Notes	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	8		98,548		120,288
CURRENT ASSETS					
Debtors - amounts receivable within one year	9	131,509		143,661	
- amounts receivable in more than one year	10	191,746		191,458	
Short term investments					
- deposits	11	251,167		450,167	
Cash at bank and in hand		469,205		422,927	
		<u>1,043,627</u>		<u>1,208,213</u>	
CREDITORS amounts falling due within one year	12	307,782		387,638	
				<u></u>	
NET CURRENT ASSETS			735,845		820,575
TOTAL ASSETS LESS CURRENT LIABILITIES			834,393		940,863
LESS PROVISION FOR LIABILITIES AND CHARGES	14		-		(76,113)
			<u></u>		<u></u>
NET ASSETS			834,393		864,750
			<u></u>		<u></u>
UNRESTRICTED RESERVES					
General fund	16		534,414		459,204
Scholarship fund	16		299,979		405,546
			<u>834,393</u>		<u>864,750</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved and authorised for issue by the Board of Governors on 15/11/11 and signed on their behalf by


J. BOYLE
CHAIRMAN

Company number 1828640

BRIT-AM DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30th April 2011

1 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.

2 Accounting policies

(i) Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards, the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005, and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

(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. Non redeemable application fees are recognised on a receipts basis. Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All income relates to activities taking place in the UK.

(iii) 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.

(iv) Fixed assets and depreciation

All fixed assets are initially recorded at cost. 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

Assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments in the SOFA.

(v) Operating leases

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

(vi) 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 income and expenditure account. All balances at the year end are translated at the rate ruling at the balance sheet date.

BRIT-AM DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2011

2 Accounting policies (continued)

(vii) Pension scheme

The company operates a defined contribution scheme. Contributions to the scheme are charged to the Statement of Financial Activities the accounting period to which they relate.

(viii) 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.

(ix) Cost allocation

All costs are charged to charitable activities unless they specifically relate to governance costs. Where members of staff and other expenses are utilised in both charitable and governance work the costs have been apportioned accordingly.

(x) Governance costs

Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include the audit fee.

3 Investment income

	2011 £	2010 £
Bank interest receivable	1,818	1,606
Rental income	133,881	124,685
	<u>135,699</u>	<u>126,291</u>

BRIT-AM DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2011

4 Charitable activities	2011 £	2010 £
Accommodation	517,283	484,892
College fees	108,943	155,646
Teachers	238,993	227,233
Productions	71,082	81,331
Excursions	31,411	32,757
Other course expenses	47,820	53,416
Admin Staff costs	375,789	343,506
Property expenses	346,122	322,897
Car expenses	2,930	2,862
Travel & Hospitality	51,281	36,991
Office costs	56,657	37,621
Advertising	36,620	52,157
Auditions	774	2,160
Bank & credit card charges	7,790	7,819
Loss on foreign exchange	5,552	25,858
VAT on US expenses	14,163	-
Depreciation	34,129	31,110
Other expenses	9,419	11,442
Scholarships and grants	206,832	190,915
Advancement of education	<u>2,163,590</u>	<u>2,100,613</u>
5 Governance costs	2011 £	2010 £
Professional fees	6,955	10,062
Audit fees	15,600	14,688
	<u>22,555</u>	<u>24,750</u>
6 Staff costs and Governors' remuneration	2011 £	2010 £
Salaries	327,555	308,654
Social security costs	30,123	24,439
Pension costs	18,111	10,413
	<u>375,789</u>	<u>343,506</u>

The average number of employees during the year was 8 (2010 - 7) There were 3 employees (2010 - 2) to whom retirement benefits were accruing under a money purchase pension scheme

There were two (2010 - one) employee with emoluments greater than £60,000 but less than £70,000, for whom pension costs of £17,428 (2010 - £9,734) were paid.

BRIT-AM DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2011

6 Staff costs and Governors' remuneration (continued)

In 2011 one (2010 - one) Governor received remuneration from the company which was wholly earned in their capacity as a tutor. The tutorial fees paid were made under the legal authority contained within the Charities Act 1993 (as amended by the Charities Act 2006).

	2011 £	2010 £
F M Shaw	1,057	1,563

In addition travel costs of £nil (2010 - £76) were reimbursed to one (2010 - one) Governor

7 Net incoming/(outgoing) resources for the year

Net incoming/(outgoing) resources for the year is stated after charging,	2011 £	2010 £
Operating leases – equipment	3,340	3,340
Operating leases – property rentals	244,983	237,500
Depreciation	34,129	31,110
Auditor's remuneration – external audit	15,600	14,688
Auditor's remuneration – other services	2,781	3,694

8 Tangible fixed assets

	Leasehold improvements £	Equipment, furniture & fittings £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1st May 2010	362,436	47,334	35,051	15,520	460,341
Additions	-	4,104	8,285	-	12,389
At 30th April 2011	362,436	51,438	43,336	15,520	472,730
Depreciation					
At 1st May 2010	246,309	46,712	32,451	14,581	340,053
Charge for the year	27,565	1,308	5,021	235	34,129
At 30th April 2011	273,874	48,020	37,472	14,816	374,182
Net book values					
At 30th April 2011	88,562	3,418	5,864	704	98,548
At 30th April 2010	116,127	622	2,600	939	120,288

BRIT-AM DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2011

9 Debtors: amounts receivable within one year	2011	2010
	£	£
Sarah Lawrence College	39,796	50,095
Prepayments and accrued income	74,069	66,185
Other debtors	17,644	27,381
	<u>131,509</u>	<u>143,661</u>
Sarah Lawrence College accredits the London Theatre Programme and administers the applications process		
10 Debtors: amounts receivable in more than one year	2011	2010
	£	£
Rental deposit which is repayable at the end of the lease	<u>191,746</u>	<u>191,458</u>
11 Short term Investments	2011	2010
	£	£
Balance at 1st May 2010	450,167	-
Movement in investments in the year	(199,000)	450,167
Balance at 30th April 2011	<u>251,167</u>	<u>450,167</u>
12 Creditors: amounts falling due within one year	2011	2010
	£	£
Fees received in advance (see note 12)	210,877	307,720
Other creditors	80,391	79,918
Other taxation and social security	16,514	-
	<u>307,782</u>	<u>387,638</u>
13 Fees received in advance	2011	2010
	£	£
Balance at 1st May 2010	307,720	262,492
Fees received in respect of following year	210,877	307,720
Released to Statement of Financial Activities	(307,720)	(262,492)
Balance at 30th April 2011	<u>210,877</u>	<u>307,720</u>
14 Provision for liabilities and charges	2011	2010
	£	£
Balance as at 1st May 2010	76,113	50,742
Charged to Statement of Financial Activities during the year	(76,113)	25,371
Balance at 30th April 2011	<u>-</u>	<u>76,113</u>

This provision relates to quadrennial repainting work required to be undertaken by the Academy under the terms of the lease, arising over the period of the tenancy and relating to general wear and tear

BRIT-AM DRAMA ACADEMY

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30th April 2011

15 Reconciliation of movements on funds

	Balance at 1 st May 2010 £	Movements in resources			Balance at 30 th April 2011 £
		Incoming £	Outgoing £	Transfers £	
General fund	459,204	2,154,523	(1,979,313)	(100,000)	534,414
Scholarship fund	405,546	1,265	(206,832)	100,000	299,979
	<u>864,750</u>	<u>2,155,788</u>	<u>(2,186,145)</u>	<u>-</u>	<u>834,393</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. The transfer of £100,000 from the general fund to the scholarship fund recognises the Governors' commitment to widening the opportunities for attendance. There are no restricted funds.

16 Analysis of net assets between funds

	General fund £	Scholarship fund £	Total funds £
Tangible fixed assets	98,548	-	98,548
Current assets	792,460	251,167	1,043,627
Current liabilities	(307,782)	-	(307,782)
Interfund Accounts	(48,812)	48,812	-
Provisions	-	-	-
Net assets at 30th April 2011	<u>534,414</u>	<u>299,979</u>	<u>834,393</u>

17 Operating lease commitments

	2011 £	2010 £
The charity is committed to the following operating lease rental payments next year on leases expiring		
Within one year	-	3,340
Within two to five years	237,500	-
After five years	-	237,500
	<u>237,500</u>	<u>240,840</u>

18 Taxation

The company is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.