

Company number: 1828640

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

Statement of accounts

for the year ended

30th April 2014

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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 2014.

Reference and administrative details

Governors

P. Boulaye
M. Boyle (Chairman)
Sir Anthony Colman
D. Gelon
G. M. Hall (resigned 19 November 2013)
M. Harley (USA)
J. D. Harris
M. G. Rawstorne
F. M. Shaw
D. Simpson
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 ongoing economic difficulties could adversely affect student numbers. In addition, the likely trend in the value of the US Dollar against Sterling may impact on the Academy.

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 programs 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 196 (2012/13– 230), which reflected the harsh recruiting conditions experienced during the year. 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 lower than budget due to the decision not to proceed with the new programme launch and reflecting 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 was £1,935,351 (2013 - £2,347,005). The results for the year show a net deficit of £86,663 (2013 – surplus of £108,061), which reflects the drop in student numbers. Within these figures, financial aid awards were £206,084 (2013 - £222,764), continuing the Academy's commitment to ensuring that financial need is not a barrier to participation in the programs.

The Academy's reserves at 30th April 2014 were £743,533 (2013 - £830,196), representing approximately three 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.

Plans for future periods

The Academy will continue with its program of outreach work in the USA to give more students the experience that BADA offers. This Spring there were return visits to North Carolina A&T, University, Alabama State University and a first visit to Texas Southern University to teach classes and audition students. There were also first visits to teach classes at the Professional Performing Arts School in Manhattan and the Harlem School of the Arts.

Equal opportunities

The Academy uses its best endeavours 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 21 October 2014 and signed on their behalf by


M. 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 2014 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 Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

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 2014 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.

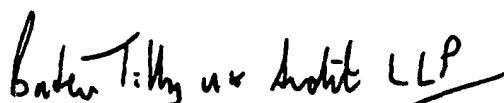
Opinion on other requirement of the Companies Act 2006

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 from the requirement to prepare a strategic report or in preparing the Governors' Report



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

Dated: 21 November 2014

BRIT-AM DRAMA ACADEMY
(Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30th April 2014

	Notes	Unrestricted funds	
		2014	2013
		Total	Total
		£	£
Incoming resources			
Incoming resources from generated funds:			
Investment income	3	131,704	132,696
Incoming resources from charitable activities:			
Fees received from students		1,935,351	2,347,005
Donations		3,638	2,069
Total incoming resources		<u>2,070,694</u>	<u>2,481,770</u>
Resources expended			
Charitable activities:			
Advancement of education	4	2,138,952	2,355,961
Governance costs	5	18,405	17,748
Total resources expended		<u>2,157,357</u>	<u>2,373,709</u>
Net (outgoing)/incoming resources	7	(86,663)	108,061
Total funds brought forward		<u>830,196</u>	<u>722,135</u>
Total funds carried forward	15	<u>743,533</u>	<u>830,196</u>

BRIT-AM DRAMA ACADEMY
(Limited by Guarantee)

BALANCE SHEET AT 30th April 2014

	Notes	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	8		9,313		40,469
CURRENT ASSETS					
Debtors: - amounts receivable within one year	9	264,471		114,966	
- amounts receivable in more than one year	10	192,476		192,322	
Short term investments					
- deposits	11	253,715		253,083	
Cash at bank and in hand		552,897		588,209	
		<u>1,263,559</u>		<u>1,148,580</u>	
CREDITORS: amounts falling due within one year	12	<u>454,339</u>		<u>308,853</u>	
NET CURRENT ASSETS			<u>809,220</u>		<u>839,727</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>818,533</u>		<u>880,196</u>
LESS: PROVISION FOR LIABILITIES AND CHARGES	14		<u>(75,000)</u>		<u>(50,000)</u>
NET ASSETS			<u><u>743,533</u></u>		<u><u>830,196</u></u>
UNRESTRICTED RESERVES					
General fund	16		<u>743,533</u>		<u>830,196</u>
			<u><u>743,533</u></u>		<u><u>830,196</u></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 20th May 2014 and signed on their behalf by

M. Boyle
Chairman

Company number: 1828640

BRIT-AM DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30th April 2014

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 2014

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

	2014	2013
	£	£
Bank interest receivable	1,154	1,472
Rental income	130,550	131,224
	<u>131,704</u>	<u>132,696</u>

BRIT-AM DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2014

4. Charitable activities	2014 £	2013 £
Scholarships and grants	206,084	222,764
Accommodation	502,040	568,975
College fees/rebates	110,726	172,462
Teachers	218,751	242,390
Productions	84,516	86,655
Excursions	30,413	40,108
Other course expenses	32,498	47,607
Administrative Staff costs	308,867	325,080
Property expenses	381,494	367,609
Car and travel expenses	4,497	4,764
Office costs	29,313	33,525
Professional fees	3,030	3,700
Marketing	117,866	119,384
Recruitment	41,615	48,641
Development	18,579	22,578
Bank & credit card charges	13,152	7,529
Depreciation	32,566	30,776
Other expenses	2,944	11,414
Advancement of education	<u>2,138,952</u>	<u>2,355,961</u>
5. Governance costs	2014 £	2013 £
Professional fees	3,045	2,388
Audit fees	15,360	15,360
	<u>18,405</u>	<u>17,748</u>
6. Staff costs and Governors' remuneration	2014 £	2013 £
Salaries	260,576	267,552
Social security costs	32,605	34,629
Pension costs	15,687	22,898
	<u>308,867</u>	<u>325,080</u>

The average number of employees during the year was 8 (2013 - 8). There were 3 employees (2013 - 3) to whom retirement benefits were accruing under a money purchase pension scheme.

There were 2 (2013 - 2) employees with emoluments greater than £60,000 but less than £70,000, for whom pension costs of £6,399 (2013 - £10,192) were paid.

There was 1 (2013 - 1) employee with emoluments greater than £70,000, for whom pension costs of £7,726 (2013 - £11,550) were paid.

BRIT-AM DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2014

6. Staff costs and Governors' remuneration (continued)

There was 1 (2013 - 1) Governor who 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 2011:

	2014 £	2013 £
F. M. Shaw	2,160	2,160

In addition travel costs of £47 (2013 - £nil) were reimbursed to one (2013 - nil) Governor.

7. Net (outgoing)/incoming resources for the year

Net (outgoing)/incoming resources for the year is stated after charging;	2014 £	2013 £
Operating leases – equipment	3,300	3,300
Operating leases – property rentals	261,250	261,250
Depreciation	32,566	30,776
Auditor's remuneration – external audit	15,360	15,360
Auditor's remuneration – other services	2,670	2,388

8. Tangible fixed assets

	Leasehold improvements £	Equipment, furniture & fittings £	Computer equipment £	Motor vehicles £	Total £
Cost:					
At 1st May 2013	362,436	33,084	13,675	14,500	423,695
Additions	-	1,567	-	-	1,567
Disposals	-	-	-	(14,500)	(14,500)
At 30th April 2014	362,436	34,651	13,675	-	410,762
Depreciation:					
At 1st May 2013	329,005	31,743	8,374	14,104	383,226
Charge for the year	27,565	1,543	3,219	239	32,566
Disposals	-	-	-	(14,343)	(14,343)
At 30th April 2014	356,570	33,286	11,593	-	401,449
Net book values:					
At 30th April 2014	5,866	1,365	2,082	-	9,313
At 30th April 2013	33,431	1,341	5,301	396	40,469

BRIT-AM DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2014

9. Debtors: amounts receivable within one year	2014 £	2013 £
Sarah Lawrence College	12,476	31,339
Prepayments and accrued income	82,382	76,867
Other debtors	170,613	6,760
	<u>264,471</u>	<u>114,966</u>
Sarah Lawrence College accredits the London Theatre Programme and administers the applications process.		
Included within other debtors is £170,525 which has been invoiced in respect of the 30 April 2015 year end. In previous years, this was not invoiced in advance.		
10. Debtors: amounts receivable in more than one year	2014 £	2013 £
Rental deposit which is repayable at the end of the lease	<u>192,476</u>	<u>192,322</u>
11. Short term Investments	2014 £	2013 £
Balance at 1st May 2013	253,083	252,171
Movement in investments in the year	632	912
Balance at 30th April 2014	<u>253,715</u>	<u>253,083</u>
12. Creditors: amounts falling due within one year	2014 £	2013 £
Fees received in advance (see note 13)	360,463	214,460
Other creditors	85,389	84,151
Taxation and social security	8,487	10,242
Balance at 30th April 2014	<u>454,339</u>	<u>308,853</u>
Included within fees received in advance is £170,525 which has been invoiced in respect of the 30 April 2015 year end. In previous years, this was not invoiced in advance.		
13. Fees received in advance	2014 £	2013 £
Balance at 1st May 2013	214,460	265,458
Fees received in respect of following year	378,803	214,460
Released to Statement of Financial Activities	(232,800)	(265,458)
Balance at 30th April 2014	<u>360,463</u>	<u>214,460</u>
14. Provision for liabilities and charges	2014 £	2013 £
Balance as at 1st May 2013	50,000	25,000
Charged to Statement of Financial Activities during the year	25,000	25,000
Balance at 30th April 2014	<u>75,000</u>	<u>50,000</u>

This provision relates to quinquennial 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 2014

15. Reconciliation of movements on funds

	Balance at 1 st May 2013 £	Movements in resources		Balance at 30 th April 2014 £
		Incoming £	Outgoing £	
General fund	830,196	2,070,694	(2,157,357)	743,533
	<u>830,196</u>	<u>2,070,694</u>	<u>(2,157,357)</u>	<u>743,533</u>

16. Analysis of net assets between funds

	General fund £	Total funds £
Tangible fixed assets	9,313	9,313
Current assets	1,263,559	1,263,559
Current liabilities	(454,339)	(454,339)
Provisions	(75,000)	(75,000)
Net assets at 30th April 2014	<u>185,397</u>	<u>743,533</u>

17. Operating lease commitments

	2014 £	2013 £
The charity is committed to the following operating lease rental payments next year on leases expiring: within two to five years	<u>262,500</u>	<u>262,500</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.