

BRITISH AMERICAN DRAMA ACADEMY
(Limited by Guarantee)
Registered Charity No. 291796
Registered Company No. 1828640

Statement of accounts

for the year ended

30th April 2023

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BRITISH AMERICAN DRAMA ACADEMY

REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees of the British American Drama Academy (which also operates under the name of BADA) presents its annual report and audited financial statements for the year ended 30 April 2023.

Reference and administrative details

Trustees

Z. Ashcroft
 L. Carlston
 L. Chantal
 C. Cook (Resigned 27 June 2022)
 O. Ewedami
 V. Fitzpatrick (Appointed 26 September 2022)
 D. Gelon
 R. Hogarth
 M. John
 R. Johnson (Chair, Appointed 26 June 2023)
 S. Joshi (Appointed 26 September 2022)
 J. Lu (Appointed 26 September 2022)
 M. Trueman (Appointed 26 September 2022)
 M. Whitlum-Cooper (Interim Chair, Resigned 26 June 2023)
 M. Whittaker

Key management

Dr. L Franke - Managing Director
 E. Roberts - Dean (Resigned 31 August, 2023)
 B. Naylor – Dean (Appointed 1 September 2023)
 H. Ainsworth FCA – Finance Director (resigned November 2022)
 R. Paul FCCA – Finance Director (appointed January 2023)

Registered and Principal office

14 Gloucester Gate
 Regents Park
 London
 NW1 4HG

Auditor

RSM UK Audit LLP
 Chartered Accountants
 Portland
 25 High Street
 Crawley
 West Sussex
 RH10 1BG

Bankers

Virgin Money
 154 – 158 Kensington High Street
 London
 W8 7RL

Solicitors

Winston & Strawn London LLP
 100 Bishopsgate,
 London
 EC2N 4AG

RLS law
 Suite 30-33
 The Hop Exchange
 24 Southwark Street
 London
 SE1 1TY

BRITISH AMERICAN DRAMA ACADEMY

REPORT OF THE BOARD OF TRUSTEES

Structure, governance and management

The Academy is a company limited by guarantee, registered in England and Wales No. 1828640, governed by its Articles of Association dated 23rd April 2018. It is a registered charity in England and Wales No. 291796.

The Board of Trustees is responsible for the governance of the Academy. Its members act both as Trustees of the Charity and Directors of the Company. It meets at least every four months to fulfil its governance responsibilities. Management of the Academy is delegated to a small Executive team, under the leadership of the Managing Director working in close cooperation with the Dean and the Finance Director, reporting to the Trustees regularly.

The Board of Trustees has established three principal committees to discharge functions relating to the administration and management of the Academy:

- Finance & General Purposes Committee which meets at least every four months. Members are Richard Johnson, Maggie Whitlum, Zoe Ashcroft, Ruth Hogarth and Wendy Lu. Malcolm John attends as required as Chair of Trustee Recruitment.
- Academic and Artistic Committee which meets at least twice a year. Members are Louise Chantal, Ruth Hogarth, Matt Trueman, Victoria Fitzpatrick and Donna Vinter (External Advisor).
- Fundraising Committee which meets at least every four months. Members are Lydia Carlston, Diane Gelon, Richard Johnson, Samir Joshi, Maggie Whitlum and Melanie Whittaker.

We also have a BADA Council which retains the wisdom and goodwill of our past Governors and Associate Artists.

Public benefit disclosures

Providing access to 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. The Trustees 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.

The Fundraising Committee established in early 2022 aims to raise \$1.7 million to fund 30 full scholarships for underprivileged students to study at BADA over the coming years. The Board actioned a formal research project undertaken by Helen Brown Group into individual donor prospects, which was completed in Autumn 2022. Additional identification of donor prospects through network mapping is ongoing.

Financial aid awards made in the year were £203,183 (2022: £99,146).

Objectives and activities

The objects, as detailed in the Articles 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 short residential programs in London and Oxford and its Fall and Spring Term courses in London, the London Theatre Program (LTP), which is co-sponsored by Sarah Lawrence College in New York. A formal agreement between the Academy and Sarah Lawrence College sets out the sharing and distribution of the program resources. Links with major universities and colleges in the United States of America, together with a policy of auditioning all 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.

Achievements and performance

Having been unable to run our Oxford programmes in 2021, due to the restrictions on international travel as a result of the Covid-19 pandemic, we were delighted to resume these programs in 2022. These programs saw 126 students across the Midsummer in Oxford and Midsummer Conservatory, compared to 112 in 2019, which was the last time these programs took place.

The London Theatre Program (LTP) also saw near record numbers for the semester long programmes, with 34 students in the Fall 2022 and 44 in the Spring 2023.

For the first time, the Academy established a Greek Theatre programme which took place across London, Oxford and Athens and was attended by 18 students.

These strong student numbers highlights the appetite of students for international study in a post pandemic world.

BRITISH AMERICAN DRAMA ACADEMY

REPORT OF THE BOARD OF TRUSTEES

Financial review

Income from our programs for the year was £2,729,561 (2022: £1,635,289). The Academy made a healthy surplus for the year of £442,287 (2022: £197,371). Total unrestricted reserves at 30th April 2023 were £1,018,277 (2022: £564,536) representing a return to the levels seen prior to the Covid-19 pandemic.

Key risks and uncertainties disclosures

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 economic downturns could adversely affect student numbers. The risk of a significant and unforeseen reduction in student numbers was brought into sharp focus by the impact of the COVID-19 pandemic and the loss, over an 18 month period, of the LTP program for one academic year and the Oxford programs for the summers for 2020 and 2021, and the consequent loss of income.

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

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

The Academy's financial risk management objectives are to ensure funding resources and to continue to monitor costs and student numbers. The Board regularly reviews budgets, forecasts and currency exposure. The Board continues to work closely with the BADA management to ensure detailed and robust financial planning.

Plans for future periods

In May 2023 we welcomed the first students and theatre practitioners, 15 in total, to our Black British Theatre (BBT) program, a month-long summer program. This program provided an overview of contemporary Black British theatre and performance. Play texts by major Black British Writers such as Roy Williams, Winsome Pinnock and Debbie Tucker Green, were analysed from social and cultural contexts framed by theories of identity, representation, nationalism, race, gender, sexuality and class. Twice weekly theatre trips combined with masterclasses from major influencers in contemporary theatre broadened the contexts of the program. Across the 15 students, £11,350 was awarded in financial aid.

In July 2023, we welcomed a total of 95 students to our Midsummer in Oxford (MIO) residential summer programs in Oxford as well as 22 students to our Midsummer Conservatory Program (MCP) program, which was held for the first time at St Mary's University, Twickenham.

The Fall semester of the LTP is already in full swing and we have 42 students in attendance as of 11 September. Applications are now open for the Spring 2024 semester, with 37 students currently enrolled. The application window is due to close 15 October 2023.

Applications are open to our Greek Theatre Program 2024, a month-long summer three centre (London, Greece, Oxford) program, dedicated to exploring the performance and reception of ancient drama. This intense, interdisciplinary course not only combines performance and academic research to immerse participants in the world of the classical Greek theatre but also includes the unique opportunity to explore multiple ancient sites and to visit archives and exhibits normally reserved for scholars. The program was extremely successful both from feedback received from the participants and financially.

Supporting students through the provision of scholarships remains a key focus of BADA's activities. The Fundraising Committee, as a formal subcommittee of the Board, aims to provide resource and support as BADA moves forwards in its ambitions for fundraising on a larger scale.

As of 1st September 2023, BADA appointed a new Dean, Ben Naylor, following a wide national and international search for a suitable successor to the outgoing Dean.

Going Concern

In terms of exposure to the impact of inflation on our overheads, the Academy's most significant overheads are salary and property costs. Any increases in salary costs will be managed internally. The five year lease of the premises at Gloucester Gate was renewed in December 2021 with the leading childcare provider who sublet part of the premises renewing their sublease in June 2022. We therefore have security of tenure and confirmed rent payments as well as rental income until December 2026. We have fixed price contracts with our energy providers, with that for gas expiring in September 2023 and that for electricity in October 2024. The Academy is therefore protected as well as it can be from the impact of the current inflation forecasts.

REPORT OF THE BOARD OF TRUSTEES

Exposure to the exchange rate fluctuation is one of Academy's key risks as identified by the Board with fees for our programmes being invoiced and received in US dollars. The current trajectory of the US dollar to sterling exchange rate, hitting a 35 year low, will give rise to significant exchange gains as well as making the UK more attractive to students as a place of study.

The Board has always taken a cautious view when considering the financial outlook for the Academy, a view which has served it well and has ensured that the Academy finds itself emerging from the pandemic with a sound reserve base. Looking forward to 2023/24 the same cautious view of the outcomes of the key contributors to the Academy's finances have been applied. These forecasts indicate that the Academy has sufficient cash and general unrestricted reserves to meet its financial obligations going forward. The Board is therefore of the opinion that the Academy has the ability to continue as a going concern for the foreseeable future

Reserves

The Academy's unrestricted reserves at 30 April 2023 were £1,018,277 (2022 - £564,536) including £28,422 (2022: £53,422) designated funds, representing approximately six months of the Academy's general overheads. Unrestricted reserves pre pandemic stood at £877,576, a sound base which enabled the Academy to meet its financial obligations over the intervening period.

Equal opportunities

The Academy is deeply committed to equality of opportunity for staff and students alike. Its vision is to enable US and other international students to participate fully in our courses, irrespective of barriers they may face linked to ethnicity, class, disability, gender, sexuality, socioeconomic or any other.

In response to the Black Lives Matter movement in June 2020 the Academy established a Diversity Action Group comprising staff, members of faculty and alumni to review all current policies and practices to ensure that BADA is at the forefront of change and inclusion. Since then, the Academy has taken steps towards fulfilling this commitment including, but not limited to, introducing mandatory and ongoing unconscious bias diversity training for trustees, staff and faculty; the successful appointment of eight new trustees to the Board increasing the diversity of voices governing the organisation; reviewing and updating our offer to students on existing courses and creating the new Black British Theatre program; developing fruitful relationships with external JEDI (Justice, Equity, Diversity and Inclusion) consultants and diverse theatre organisations to advise us and to inform the changes we are making.

BADA continues to invest in maintaining and upgrading its premises to improve access.

Statement of Trustees' responsibilities

The Trustees (who are also directors of the British American Drama Academy for the purpose of company law) are responsible for preparing the Trustees' 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 Trustees 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 Trustees 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;
- state whether applicable UK accounting standard have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees 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.

REPORT OF THE BOARD OF TRUSTEES

Disclosure of information to auditor

The Trustees 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 Trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

RSM 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 Trustees on 4 Dec 2023 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Richard D. Johnson', with a long horizontal flourish extending to the right.

R Johnson
Chair

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
BRITISH AMERICAN DRAMA ACADEMY
(continued)**

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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 5, the trustees (who are also the directors of the charitable 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011 and the charity's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
BRITISH AMERICAN DRAMA ACADEMY
(continued)**

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

Use of our report

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.

RSM UK Audit LLP

Zoe Longstaff-Tyrrell (Statutory Auditor)

For and on behalf of RSM UK Audit LLP

Chartered Accountants

Portland

25 High Street

Crawley

West Sussex

RH10 1BG

Date 05/12/23

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BRITISH AMERICAN DRAMA ACADEMY
(Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30th April 2023

	<i>Notes</i>	Unrestricted General £	Designated £	Restricted £	Total 2023 £	Total 2022 £
Income and Endowments from:						
Charitable Activities: Fees received		2,729,561	-	-	2,729,561	1,635,289
Investment income	3	138,082	-	-	138,082	167,806
Other income		200	21,000	11,084	32,284	28,519
Total incoming resources		<u>2,867,843</u>	<u>21,000</u>	<u>11,084</u>	<u>2,899,927</u>	<u>1,831,614</u>
Expenditure on charitable activities:						
Advancement of education	4	2,389,102	46,000	22,538	2,457,640	1,634,243
Total resources expended		<u>2,389,102</u>	<u>46,000</u>	<u>22,538</u>	<u>2,457,640</u>	<u>1,634,243</u>
Net income/(expenditure) and net movement in funds for the year	6	478,741	(25,000)	(11,454)	442,287	197,371
Reconciliation of funds:						
Total funds brought forward		511,114	53,422	22,539	587,075	389,704
Total funds carried forward	13,14	<u>989,855</u>	<u>28,422</u>	<u>11,085</u>	<u>1,029,362</u>	<u>587,075</u>

BRITISH AMERICAN DRAMA ACADEMY
(Limited by Guarantee)

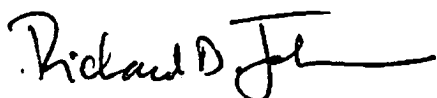
BALANCE SHEET AT 30th April 2023

	Notes	£	2023 £	£	2022 £
FIXED ASSETS					
Tangible assets	7		51,320		46,531
			<u>51,320</u>		<u>46,531</u>
CURRENT ASSETS					
Debtors	8		754,811		551,703
Cash at bank and in hand			1,078,550		986,213
			<u>1,833,361</u>		<u>1,537,916</u>
CREDITORS: amounts falling due within one year	9	(730,319)		(922,372)	
NET CURRENT ASSETS			<u>1,103,042</u>		<u>615,544</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			1,154,362		662,075
CREDITORS: amounts falling due within one year	10		(30,000)		(40,000)
PROVISION FOR LIABILITIES	12		(95,000)		(35,000)
NET ASSETS			<u>1,029,362</u>		<u>587,075</u>
FUNDS OF THE CHARITY:					
<i>Unrestricted Funds:</i>					
Unrestricted general fund			989,855		511,114
Designated Scholarship Fund			28,422		53,422
<i>Restricted Funds:</i>					
Restricted Scholarship Fund			11,085		22,539
TOTAL FUNDS	13, 14		<u>1,029,362</u>		<u>587,075</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 12 to 19 form part of these accounts.

Approved and authorised for issue by the Board of Trustees on 4 Dec. 2023 and signed on their behalf by



R Johnson
Chair

BRITISH AMERICAN DRAMA ACADEMY
(Limited by Guarantee)

STATEMENT OF CASHFLOWS AT 30th April 2023

	2023	2022
	£	£
Cash flows from operating activities:		
Net income for the reporting period	442,287	197,371
Adjustments for:		
Depreciation	13,762	12,820
Interest and rental income	(138,082)	(167,806)
(Increase) in debtors	(203,108)	(447,650)
(Decrease) / Increase in creditors	(192,053)	812,702
Increase / (Decrease) in provision	60,000	(115,000)
Net cash used in operating activities	(459,481)	95,066
Cash flows from investing activities:		
Interest receivable	1,788	190
Rental income	136,294	167,616
Purchase of tangible fixed assets	(18,551)	(54,009)
Net cash provided by investing activities	119,531	113,797
Cash flows from financing activities:		
Bounceback loan	(10,000)	-
Net cash provided by financing activities	(10,000)	-
Change in cash and cash equivalents in the reporting period	92,337	406,234
Cash and cash equivalents at 1st May	(i) 986,213	579,979
Cash and cash equivalents at 30th April	(i) 1,078,550	986,213

(i) Analysis of changes in net debt

	At 1 May 2022 £	Cashflows £	Non Cashflows £	At 30 April 2023 £
Cash and Cash Equivalents				
Cash	986,213	92,337	-	1,078,550
	<u>986,213</u>	<u>92,337</u>	<u>-</u>	<u>1,078,550</u>
Borrowings				
Debt due within one year	(10,000)	10,000	(10,000)	(10,000)
Debt due after one year	(40,000)	-	10,000	(30,000)
	<u>(50,000)</u>	<u>10,000</u>	<u>-</u>	<u>(40,000)</u>
Total	<u>936,213</u>	<u>102,337</u>	<u>-</u>	<u>1,038,550</u>

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30th April 2023

1. Constitution

British American 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

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(i) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

British American Drama Academy meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

(ii) Going concern

The year to 30th April 2023 commenced much more positively than the prior two years, seeing both strong student numbers on the LTP as well as a return to the Oxford programmes following a two year hiatus as a result of the Covid-19 pandemic. In addition, we were able to run the Greek Theatre programme for the first time in Summer 2022. The positive outcome of increased student numbers and a return to a more normal post pandemic world is evident from our results for the financial year under review.

Property and staffing are the Academy's most significant overhead costs. Any increases in staffing costs will be managed internally. The leading childcare provider who sublet part of the premises renewed their sublease in June 2022. The Academy therefore has security of tenure with confirmed rent payments as well as rental income until December 2026. With fixed price contracts from our energy providers not due to expire until the autumn of 2023 at the earliest, the trustees considers that the Academy is as protected as it can be from the impact of the current inflation forecasts.

Fees for all our programmes are invoiced in US dollars and therefore the current trajectory of the US dollar to sterling exchange rate, hitting a 35 year low, will give rise to significant exchange gains as well as making the UK more attractive to students as a place of study.

The Board has always taken a cautious view when considering the financial outlook for the Academy, a view which has served it well and has ensured that the Academy finds itself emerging from the pandemic with a sound reserve base. Looking forward to 2023/24 the same cautious view of the outcomes of the key contributors to the Academy's finances have been applied. These forecasts indicate that the Academy has sufficient cash and general unrestricted reserves to meet its financial obligations going forward. The Board is therefore of the opinion that the Academy has the ability to continue as a going concern for the foreseeable future.

(iii) Income

Income including fees received from programmes, donations, investment income and rental 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 receipt basis. All income relates to activities taking place in the UK. Income in respect of fees is shown gross of scholarships granted. Fees received from programmes includes funding due from Sarah Lawrence College in accordance with the agreement for the co-sponsorship of the London Theatre Program.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30th April 2023

(iv) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

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.

(v) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of Academy. Designated funds are unrestricted funds of the Academy which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Academy's work or for specific projects being undertaken by the Academy.

(vi) 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, less their residual values, over its expected useful life as follows:

Equipment, furniture and fittings	- 25% straight line
Leasehold costs	- over the term of the lease

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. A full year of depreciation is provided in the year of acquisition and none in the year of disposal.

(vii) Debtors

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

(viii) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Bank borrowings are initially recognised at the fair value net of any transaction costs directly attributable to the issue of the borrowing instrument. They are then subsequently measured at amortised cost.

(ix) Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments under Section 11 of FRS 102. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(x) Operating leases

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

(xi) 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.

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2023

(xii) Pension scheme

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

(xiii) Termination benefits

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(xiv) Critical judgment and estimates

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

Significant areas of estimates and judgements includes provisions, and these have been established for the cost of returning the building back to its original condition and for the redecoration costs as required by the lease agreement. These are estimated based on the best information available, and historical information where available.

3. Investment income	2023	2022
	£	£
Bank interest receivable	1,788	190
Rental income	136,294	167,616
	<u>138,082</u>	<u>167,806</u>

Of the investment income received in the year £nil (2022: £nil) was in respect of restricted funds and £nil (2022: £nil) in respect of designated funds.

4. Charitable activities	2023	2022
	£	£
<i>Direct costs</i>		
Scholarships and grants	203,183	99,146
Accommodation	761,650	361,757
College fees and rebates	13,077	-
Teachers	298,906	191,802
Productions	100,709	90,856
Excursions	46,163	16,299
Other course expenses	35,277	21,781
Administrative staff costs	327,547	235,180
Property expenses	487,098	485,701
Travel expenses	16,327	4,719
Office costs	24,593	20,358
Professional fees	14,939	22,209
Marketing	80,096	56,224
Depreciation	13,762	12,820
Bank & credit card charges	25,846	8,871
Foreign exchange gain	(29,373)	(21,871)
Other expenses	11,480	8,591
	<u>2,431,280</u>	<u>1,614,443</u>

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2023

4. Charitable activities (continued)

<i>Governance costs</i>		
Professional fees	3,860	-
Audit fees	22,500	19,800
	<u>26,360</u>	<u>19,800</u>
Advancement of education costs	<u>2,457,640</u>	<u>1,634,243</u>

Of the total expenditure on the advancement of education for the year of £2,457,640 (2022: £1,634,243), £22,538 (2022: £2,100) was from restricted funds and £46,000 (2022: £1,697) was from designated funds.

5. Staff costs and Trustees' remuneration

	2023	2022
	£	£
Salaries	317,982	242,121
Social security costs	29,652	21,792
Pension costs	12,105	8,586
	<u>359,739</u>	<u>272,499</u>

There were 2 (2022 - 2) employees with emoluments greater than £80,000 but less than £90,000, for whom pension costs of £8,194 (2022 - £7,240) were paid.

The key management personnel of the charity during the year comprised the Managing Director, the Dean and the Finance Director. The total employee benefits of the key management personnel of the charity were £239,845 (2022 - £213,318). The employer's national insurance contributions in respect of the key management personnel were £25,983 (2022 - 21,905).

There were 0 (2022 - 1) Trustees as who received remuneration from the Academy which was wholly earned in their capacity as a teacher. The fees were paid under the legal authority within the Charities Act 2011. There were no amounts outstanding at 30 April 2023 (2022 - £nil).

	2023	2022
	£	£
C. Cook	1,380	1,199

In addition, travel costs of £354 (2022 - £nil) were reimbursed to 3 (2022 - nil) Trustees.

5a. Staff numbers

There were 7 employees (2022 - 6) to whom retirement benefits were accruing under a money purchase scheme.

The average number of full time equivalent employees during the year were as follows:

	2023	2022
	No.	No.
Administrative	<u>7</u>	<u>6</u>

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2023

6. Net income/(expenditure) for the year

Net income/(expenditure) for the year is stated after charging;	2023	2022
	£	£
Operating leases – property rentals	304,670	312,152
Depreciation	13,762	12,820
Auditor's remuneration – external audit	22,500	19,800
Auditor's remuneration – non audit services	2,340	-
	<u> </u>	<u> </u>

7. Tangible fixed assets

	Leasehold costs £	Equipment, furniture & fittings £	Total £
Cost:			
At 1st May 2022	49,522	42,894	92,416
Additions	-	18,551	18,551
	<u> </u>	<u> </u>	<u> </u>
At 30th April 2023	49,522	61,445	110,967
Depreciation:			
At 1st May 2022	9,904	35,981	45,885
Charge for the year	9,904	3,858	13,762
	<u> </u>	<u> </u>	<u> </u>
At 30th April 2023	19,808	39,839	59,647
Net book values:			
At 30th April 2023	<u> </u>	<u> </u>	<u> </u>
	29,714	21,606	51,320
At 1st May 2022	<u> </u>	<u> </u>	<u> </u>
	39,618	6,913	46,531

8. Debtors: amounts receivable within one year

	2023	2022
	£	£
Sarah Lawrence College	165,394	21,383
Prepayments and accrued income	588,664	530,320
Fee debtors	753	-
	<u> </u>	<u> </u>
	754,811	551,703

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

9. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans	10,000	10,000
Trade creditors	468,166	401,000
Taxation and social security	5,586	11,138
Fees invoiced in advance (see note 11)	160,241	426,153
Accruals and deferred income	77,830	68,692
Other creditors	8,495	5,390
	<u> </u>	<u> </u>
	730,319	922,372

A coronavirus bounceback loan was secured in March 2021, it is repayable over 6 years from 1st May 2022 with an interest rate of 2.5%.

Included within other creditors are amounts totalling £1,966 (2022 £5,387) in respect of outstanding pension contributions.

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2023

10. Creditors: amounts falling due after one year	2023	2022
	£	£
Bounceback loan – 2 to 5 years	30,000	40,000
	<u>30,000</u>	<u>40,000</u>

The loan was repaid in full on 27th September 2023.

11. Fees invoiced in advance	2023	2022
	£	£
Balance at 1st May	426,153	27,539
Fees invoiced in respect of following year	160,241	398,614
Released to Statement of Financial Activities	(426,153)	-
	<u>160,241</u>	<u>426,153</u>

Fees invoiced in advance represent fees received from students prior to the year end for the following summer's residential programmes.

12. Provision for liabilities and charges	2023	2022
	£	£
Balance at 1st May	35,000	150,000
Charged to Statement of Financial Activities during the year	60,000	(115,000)
	<u>95,000</u>	<u>35,000</u>

The external redecorations 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.

During the year, a dilapidations provision was established to cover refurbishment costs should BADA relocate at the end of its lease.

	External redecorations £	Dilapidations £	Total £
At 1 st May 2022	35,000	-	35,000
Charged to Statement of Financial Activities	35,000	25,000	60,000
	<u>70,000</u>	<u>25,000</u>	<u>95,000</u>

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2023

13. Reconciliation of movements on funds

	Balance 1st May 2022 £	Movements in resources Income £	Expenditure £	Balance at 30th April 2023 £
Unrestricted funds:				
Unrestricted General Fund	511,114	2,867,843	(2,389,102)	989,855
Designated Scholarship fund	53,422	21,000	(46,000)	28,422
Restricted Funds:				
Restricted Scholarship Fund	22,539	11,084	(22,538)	11,085
Total	<u>587,075</u>	<u>2,899,927</u>	<u>(2,457,640)</u>	<u>1,029,362</u>

Designated Scholarship Fund

This is an unrestricted designated fund comprising funds the Trustees have set aside from the General Fund to contribute to the cost of scholarships awarded and supporting specific programmes. Scholarships are awarded to individuals at the discretion of the Academy.

Restricted Scholarship Fund

This is a restricted fund containing donations made to the Academy specifically to fund scholarships to students.

14. Analysis of net assets between funds

	General Fund £	Scholarship Fund £	Restricted Fund £	Total Funds £
Fixed assets	51,320	-	-	51,320
Current assets	1,793,854	28,422	11,085	1,833,361
Current liabilities	(730,319)	-	-	(760,319)
Provisions and long term liabilities	(125,000)	-	-	(95,000)
Net assets at 30th April 2023	<u>989,855</u>	<u>28,422</u>	<u>11,085</u>	<u>1,029,362</u>

	General Fund £	Scholarship Fund £	Restricted Fund £	Total Funds £
Fixed assets	46,531	-	-	46,531
Current assets	1,461,955	53,422	22,539	1,537,916
Current liabilities	(962,372)	-	-	(962,372)
Provisions	(35,000)	-	-	(35,000)
Net assets at 30th April 2022	<u>511,114</u>	<u>53,422</u>	<u>22,539</u>	<u>587,075</u>

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2023

15. Operating lease commitments	2023	2022
	£	£
The total future minimum lease payments under non-cancellable operating leases for land and building are:		
within one year	333,334	308,333
between one and five years	<u>933,333</u>	<u>1,266,667</u>
 The total future minimum rental income under the sub-lease of the building are:		
within one year	107,333	99,273
between one and five years	<u>300,533</u>	<u>407,867</u>

The license to sublease a portion of the premises runs in conjunction with the primary building lease.

16. 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.

17. Capital commitments.

There are no capital commitments in the current year (2022: £nil).

18. Related party transactions

During the year costs of £3,740 (2022: £nil) were incurred for room hire at the Oxford Playhouse. There was no balance outstanding at 30th April 2023 (2022: £nil). The Oxford Playhouse is considered to be a related party as Louise Chantal is a Trustee at the British American Drama Academy and was the Chief Executive of the Oxford Playhouse, having resigned on 26th May 2022.