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# **Backstage Academy (Training) Limited**

Registered number: 07591694

## **Directors' report and financial statements**

**For the year ended 31 December 2017**

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**BACKSTAGE ACADEMY (TRAINING) LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	M Tucknott A Brooks (appointed 21 September 2018) M F Locket (appointed 21 September 2018)
<b>Registered number</b>	07591694
<b>Registered office</b>	Unit 5 Langthwaite Road Langthwaite Grange Industrial Estate South Kirkby Pontefract WF9 3AP
<b>Independent auditor</b>	Mazars LLP Chartered Accountants & Statutory Auditor Mazars House Gelderd Road Gildersome Leeds LS27 7JN
<b>Bankers</b>	HSBC Bank plc PO Box 33 66 Westgate Wakefield West Yorkshire WF1 1XB

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**BACKSTAGE ACADEMY (TRAINING) LIMITED**

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## **BACKSTAGE ACADEMY (TRAINING) LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their report and the financial statements for the year ended 31 December 2017.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Business review**

Backstage Academy enjoyed a good year in 2017, with a continued focus on improving the quality of its educational programmes.

A healthy profit after tax of £137,975 (2016: £149,875) has been generated by the Company, further demonstrating the long-term viability of this young business.

Backstage Academy is seen as an important and integral member of Production Park group through training young people to work in the burgeoning Live Events industry of which Production Park is an important player. The benefits to both Backstage Academy and the other group companies is clear, as the training provided is in the industry, by the industry making it both relevant and worthwhile.

#### **Directors**

The directors who served during the year were:

M Tucknott  
S Gleadhall (resigned 21 September 2018)

#### **Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis for accounting in preparing the annual financial statements.

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**BACKSTAGE ACADEMY (TRAINING) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

This report has been prepared in accordance with the small companies regime of the Companies Act 2006.

This report was approved by the board on *28 September 2018* and signed on its behalf.



**A Brooks**  
Director

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## **BACKSTAGE ACADEMY (TRAINING) LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BACKSTAGE ACADEMY (TRAINING) LIMITED**

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#### **Opinion**

We have audited the financial statements of Backstage Academy (Training) Limited (the 'Company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit 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 requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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**BACKSTAGE ACADEMY (TRAINING) LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BACKSTAGE ACADEMY (TRAINING) LIMITED**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors 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 Directors' Report and from the requirement to prepare a Strategic Report.

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**BACKSTAGE ACADEMY (TRAINING) LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BACKSTAGE ACADEMY (TRAINING) LIMITED**

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**Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement set out on page 1, the directors 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 directors 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 directors are responsible for assessing the 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 directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

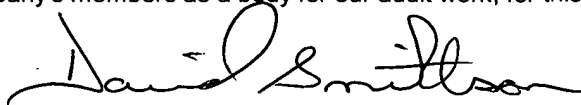
**Auditor's responsibilities for the audit of the financial statements**

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.

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

**Use of the audit report**

This report is made solely to the 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 Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



David Smithson (Senior statutory auditor)

for and on behalf of

Mazars LLP  
Chartered Accountants and Statutory Auditor  
Mazars House  
Gelderd Road  
Gildersome  
Leeds  
LS27 7JN

Date: 28 September 2018

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**BACKSTAGE ACADEMY (TRAINING) LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	Note	2017 £	2016 £
Turnover	2.4	1,651,096	1,683,638
Cost of sales		(470,284)	(572,797)
<b>Gross profit</b>		<b>1,180,812</b>	<b>1,110,841</b>
Marketing, selling & promotion		(71,242)	(151,887)
Administrative expenses		(943,457)	(811,308)
Other operating income	4	7,413	21,712
<b>Operating profit</b>		<b>173,526</b>	<b>169,358</b>
Interest payable and expenses		(3,855)	(3,078)
<b>Profit before tax</b>		<b>169,671</b>	<b>166,280</b>
Tax on profit	7	(31,696)	(16,405)
<b>Profit for the financial year</b>		<b>137,975</b>	<b>149,875</b>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 9 to 21 form part of these financial statements.

**BACKSTAGE ACADEMY (TRAINING) LIMITED**  
**REGISTERED NUMBER: 07591694**

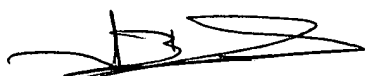
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	8	83,258	100,701
Investments	9	-	2,500
		<u>83,258</u>	<u>103,201</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	1,050,147	837,050
Cash at bank and in hand	11	10,105	10,285
		<u>1,060,252</u>	<u>847,335</u>
Creditors: amounts falling due within one year	12	(1,025,757)	(944,292)
<b>Net current assets/(liabilities)</b>		<u>34,495</u>	<u>(96,957)</u>
<b>Total assets less current liabilities</b>		<u>117,753</u>	<u>6,244</u>
Creditors: amounts falling due after more than one year	13	(536)	(22,231)
<b>Provisions for liabilities</b>			
Deferred tax	15	(11,411)	(16,182)
		<u>(11,411)</u>	<u>(16,182)</u>
<b>Net assets/(liabilities)</b>		<u><u>105,806</u></u>	<u><u>(32,169)</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	1	1
Profit and loss account	17	105,805	(32,170)
		<u><u>105,806</u></u>	<u><u>(32,169)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

*28 September 2018*



**A Brooks**  
Director

The notes on pages 9 to 21 form part of these financial statements.

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**BACKSTAGE ACADEMY (TRAINING) LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2017	1	(32,170)	(32,169)
<b>Comprehensive income for the year:</b>			
Profit for the year	-	137,975	137,975
<b>At 31 December 2017</b>	<u>1</u>	<u>105,805</u>	<u>105,806</u>

The notes on pages 10 to 22 form part of these financial statements.

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2016	1	(182,045)	(182,044)
<b>Comprehensive income for the year:</b>			
Profit for the year	-	149,875	149,875
<b>At 31 December 2016</b>	<u>1</u>	<u>(32,170)</u>	<u>(32,169)</u>

The notes on pages 10 to 22 form part of these financial statements.

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**BACKSTAGE ACADEMY (TRAINING) LIMITED**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	137,975	149,875
<b>Adjustments for:</b>		
Depreciation of tangible assets	65,100	78,246
Impairments of investments	2,500	-
Government grants	(7,413)	(21,712)
Interest paid	3,855	3,079
Taxation charge	31,696	16,405
(Increase) in debtors	(19,065)	(123,898)
(Increase) in amounts owed by groups	(194,032)	(249,594)
Increase in creditors	86,650	5,207
(Decrease)/increase in amounts owed to groups	(36,486)	142,860
<b>Net cash generated from operating activities</b>	<u>70,780</u>	<u>468</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(47,737)	(5,482)
Government grants received	7,413	21,712
HP interest paid	(3,026)	(2,967)
<b>Net cash from investing activities</b>	<u>(43,350)</u>	<u>13,263</u>
<b>Cash flows from financing activities</b>		
Repayment of/new finance leases	(26,781)	(6,939)
Interest paid	(829)	(112)
<b>Net cash used in financing activities</b>	<u>(27,610)</u>	<u>(7,051)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(180)</u>	<u>6,680</u>
Cash and cash equivalents at beginning of year	10,285	3,605
<b>Cash and cash equivalents at the end of year</b>	<u>10,105</u>	<u>10,285</u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	10,105	10,285
	<u>10,105</u>	<u>10,285</u>

The notes on pages 10 to 22 form part of these financial statements.

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## **BACKSTAGE ACADEMY (TRAINING) LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **1. General information**

Backstage Academy (Training) Limited ("the Company") is a private company limited by shares, incorporated in England and Wales. The address of its principal place of business is Unit 5 Langthwaite Grange Industrial Estate, South Kirkby, Pontefract, WF9 3AP.

The principal activity of the company continues to be that of operating degree courses, short courses and bespoke training programmes for young students, established professionals and community groups.

The Company's functional and presentational currency is GBP.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### **2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Production Park Limited as at 31 December 2017 and these financial statements may be obtained from Unit 5, Langthwaite Road, Langthwaite Grange Industrial Estate, Wakefield, West Yorkshire, WF9 3AP.

##### **2.3 Going concern**

The financial statements have been prepared on a going concern basis. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. The directors have considered a period in excess of twelve months from the date of approval of these financial statements in making their assessment.

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## BACKSTAGE ACADEMY (TRAINING) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 2. Accounting policies (continued)

##### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures & fittings	- 20% straight line
Office equipment	- 20% straight line
Computer equipment	- 33.3% straight line
Other equipment	- 33.3% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

##### 2.6 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Income Statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

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**BACKSTAGE ACADEMY (TRAINING) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)****2.7 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**2.9 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.10 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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**BACKSTAGE ACADEMY (TRAINING) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)****2.11 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**2.12 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.13 Pensions****Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**2.14 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

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**BACKSTAGE ACADEMY (TRAINING) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)****2.15 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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**BACKSTAGE ACADEMY (TRAINING) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**3. Judgements in applying accounting policies and key sources of estimation uncertainty****Critical judgements in applying the Company's accounting policies**

The critical judgements that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

**Assessing indicators of impairment**

In assessing whether there have been any indicators of impairments to assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability and where applicable, the ability of the asset to be operated as planned.

**Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**(i) Recoverability of receivables**

The Company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors have considered factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

**(ii) Determining residual values and useful economic lives of tangible assets**

The Company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of tangible assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is also applied, when determining the residual values for fixed assets. When determining the residual value, the directors have assessed the amount that the Company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful life. Where possible this is done with reference to external market prices.

**4. Other operating income**

	2017 £	2016 £
Grants receivable	7,413	21,712

**5. Employees**

The average monthly number of employees, including directors, during the year was 24 (2016 - 22).

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**BACKSTAGE ACADEMY (TRAINING) LIMITED**

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**6. Directors' remuneration**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	42,915	37,050

**7. Taxation**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	36,467	-
	<u>36,467</u>	<u>-</u>
<b>Total current tax</b>	<u>36,467</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(4,771)	16,405
<b>Total deferred tax</b>	<u>(4,771)</u>	<u>16,405</u>
<b>Taxation on profit on ordinary activities</b>	<u>31,696</u>	<u>16,405</u>

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**BACKSTAGE ACADEMY (TRAINING) LIMITED**

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**7. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	169,671	166,280
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	32,662	33,256
<b>Effects of:</b>		
Expenses not deductible for tax purposes	681	502
Adjustments to deferred tax charge in respect of prior periods	(2,006)	25,436
Adjustments to opening rate of deferred tax	(4,412)	-
Other timing differences leading to an increase in taxation	4,771	2,034
Group relief	-	(44,823)
<b>Total tax charge for the year</b>	<b>31,696</b>	<b>16,405</b>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

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**BACKSTAGE ACADEMY (TRAINING) LIMITED**

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**8. Tangible fixed assets**

	<b>Fixtures &amp; fittings £</b>	<b>Office equipment £</b>	<b>Computer equipment £</b>	<b>Other equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 January 2017	15,045	22,581	189,928	32,559	260,113
Additions	31,172	2,357	2,903	11,305	47,737
At 31 December 2017	<u>46,217</u>	<u>24,938</u>	<u>192,831</u>	<u>43,864</u>	<u>307,850</u>
<b>Depreciation</b>					
At 1 January 2017	4,966	12,112	117,699	24,635	159,412
Charge for the year on owned assets	6,704	4,436	16,149	8,641	35,930
Charge for the year on financed assets	-	-	29,250	-	29,250
At 31 December 2017	<u>11,670</u>	<u>16,548</u>	<u>163,098</u>	<u>33,276</u>	<u>224,592</u>
<b>Net book value</b>					
At 31 December 2017	<u>34,547</u>	<u>8,390</u>	<u>29,733</u>	<u>10,588</u>	<u>83,258</u>
At 31 December 2016	<u>10,079</u>	<u>10,470</u>	<u>72,229</u>	<u>7,923</u>	<u>100,701</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	<b>2017 £</b>	<b>2016 £</b>
Computer equipment	<u>13,093</u>	<u>42,343</u>

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**BACKSTAGE ACADEMY (TRAINING) LIMITED**

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**9. Fixed asset investments**

	<b>Other fixed asset investments £</b>
<b>Cost or valuation</b>	
At 1 January 2017	2,500
At 31 December 2017	<u>2,500</u>
<b>Impairment</b>	
Charge for the period	2,500
At 31 December 2017	<u>2,500</u>
At 31 December 2017	<u>-</u>
At 31 December 2016	<u><u>2,500</u></u>

**10. Debtors**

	<b>2017 £</b>	<b>2016 £</b>
Trade debtors	214,218	218,445
Amounts owed by group undertakings	699,685	505,652
Other debtors	86,151	56,499
Prepayments and accrued income	50,093	56,454
	<u>1,050,147</u>	<u>837,050</u>

**11. Cash and cash equivalents**

	<b>2017 £</b>	<b>2016 £</b>
Cash at bank and in hand	<u>10,105</u>	<u>10,285</u>

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**12. Creditors: Amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade creditors	154,677	80,255
Amounts owed to group undertakings	706,848	743,333
Corporation tax	36,467	-
Other taxation and social security	36,704	28,401
Obligations under finance lease and hire purchase contracts	21,694	26,781
Other creditors	17,054	46,160
Accruals and deferred income	52,313	19,362
	<u>1,025,757</u>	<u>944,292</u>

Obligations under finance lease and hire purchase are secured on the related assets.

**13. Creditors: Amounts falling due after more than one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Net obligations under finance leases and hire purchase contracts	<u>536</u>	<u>22,231</u>

Obligations under finance lease and hire purchase are secured on the related assets.

**14. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Within one year	21,694	26,781
Between 1-5 years	536	22,231
	<u>22,230</u>	<u>49,012</u>

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**15. Deferred taxation**

	2017 £
At beginning of year	(16,182)
Charged to profit or loss	4,771
<b>At end of year</b>	<b>(11,411)</b>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(11,411)	(16,182)

**16. Share capital**

	2017 £	2016 £
<b>Authorised, allotted, called up and fully paid</b>		
1 Ordinary share of £1	1	1

**17. Reserves****Profit & loss account**

This reserve represents the cumulative profits and losses.

**18. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £9,245 (2016 - £Nil). Contributions totalling £7,031 (2016 - £Nil) were payable to the fund at the reporting date and are included in creditors.

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**19. Commitments under operating leases**

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	3,625	3,625
Later than 1 year and not later than 5 years	3,021	6,645
	<u>6,646</u>	<u>10,270</u>

A total of £3,625 was recognised as an operating lease expense in the period (2016: £3,625).

**20. Related party transactions**

The company has taken advantage of the exemption in Section 33 "Related Party Disclosures" from disclosing transactions and balances with other wholly owned group companies, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Hepworth Student Services Limited (HSS) is 50% owned by Mr A Brooks, who is the ultimate controlling party of the group. No interest is charged on the balance outstanding. During the year HSS repaid

At the year end the following balances were due from related parties:

	2017 £	2016 £
Hepworth Student Services Limited	20,132	75,517
	<u>20,132</u>	<u>75,517</u>

**21. Controlling party**

The Company's ultimate parent company is Production Park Limited, a company registered in England and Wales.

The ultimate controlling party is Mr A Brooks, due to his majority shareholding in Production Park Limited.