

**Charity Registration No. 1166152**

**Company Registration No. 03293892 (England and Wales)**

**THEATRICAL EDUCATIONAL SERVICES LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

# THEATRICAL EDUCATIONAL SERVICES LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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|-----------------------------|--|
| <b>Trustees</b>             | A W Jeckells<br>J R Ronane<br>N J Bell<br>D R C Stewart  |
| <b>Secretary</b>            | Havercroft Nominees Limited  |
| <b>Charity number</b>       | 1166152  |
| <b>Company number</b>       | 03293892   |
| <b>Registered office</b>    | 83 Borough Road<br>Southwark<br>London<br>SE1 1DN  |
| <b>Independent examiner</b> | John Pudduck FCCA<br>Martlet House<br>E1, Yeoman Gate<br>Yeoman Way<br>Worthing<br>West Sussex<br>BN13 3QZ |

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# THEATRICAL EDUCATIONAL SERVICES LIMITED

## CONTENTS

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|                                   | <b>Page</b> |
|-----------------------------------|-------------|
| Trustees' report                  | 1 - 6       |
| Independent examiner's report     | 7           |
| Statement of financial activities | 8           |
| Balance sheet                     | 9           |
| Notes to the financial statements | 10 - 17     |

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# **THEATRICAL EDUCATIONAL SERVICES LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their report and independently examined financial statements for the period ended 31st August 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016)

#### **Objectives and activities**

The advancement of education and training in musical theatre performance; and the advancement of the arts particularly but not exclusively in the medium of musical theatre.

The trustees are aware of the Charity Commission guidance regarding public benefit, and confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to it. They consider that the information which follows in this annual report, about the organisations aims, activities and achievements demonstrates public benefit in relation to the delivery of the objects of the company.

#### **Achievements and performance**

The charity continues to offer outstanding opportunities for young people to succeed in their chosen field. We were able to place 40 (out of 42) students from the course relevant to this report with high quality agent representation upon graduation.

A high proportion of the 2019 graduates secured a desirable professional engagement soon after graduation: Harry Dunnett was cast as first cover Marius in Les Miserables (Sondheim Theatre), Lydia Gerrard and Brad Barnley were engaged on the UK Tour of Phantom of The Opera, Damian Kneale secured the UK Tour of Les Miserables, Felicitas Bauer went into Harry Potter and The Cursed Child in Hamburg, Donal Brennan joined the European Tour of 12 Tenors, Ann-Marie Craine was cast as Lauren along with Ben Terry as 1st Cover Lola in Kinky Boots for Norwegian Cruise Lines, Tyler Ephraim joined the UK Tour of Joseph and the Amazing Technicolour Dreamcoat, Ross Harmon was cast as Sky in Mamma Mia for Royal Caribbean International Cruises, and Lorenzo Olivera was cast as the Lead Vocalist for Royal Caribbean International Cruises.

#### **Presentations To The Public**

This year saw the presentation of an original work at the end of term two; The Queens Nose, with Music written by our Resident Composer Charles Miller and Book and Lyrics by Tim Sanders, based on the BBC Television series and novel by Dick King-Smith. This was presented in-house in the school's main hall, fully costumed and lit, with some elements of set. The performance was free to the public, which consisted of friends and family, as well as invited industry members.

The organisation presents two Main shows at The Bridewell Theatre, which is part of the St Bride Foundation (registered charity 207607). These are fully produced, with a professional team including Director, Designer, Choreographer, Musical Director and Production Manager.

The 2019 pieces were carefully chosen to ensure suitability of casting for the students that were on the course, and to offer the audience two very contrasting experiences.

Grand Hotel was directed by Graham Hubbard and Lend Me A Tenor by Graham Gill.

1016 members of the public attended the productions, of which 267 were given complimentary tickets, to ensure access for as many people as possible. 97 members of the audience were Graduates of LSMT given a concessionary price of £11 (full price £17).

The public and Industry response to the shows was extraordinary, as illustrated by the following from Musical Theatre Review ([musicaltheatrereview.com](http://musicaltheatrereview.com))

# THEATRICAL EDUCATIONAL SERVICES LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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### Presentations To The Public (continued)

#### London School of Musical Theatre – Lend Me a Tenor

Wednesday, 24 April, 2019 in [Onstage](#), [Review](#)

**Lend Me a Tenor** is performed by London School of Musical Theatre students at the Bridewell Theatre, London.

Star rating: **five stars**

*Sometimes you just have to gush. This is one of the best student productions I have ever seen. It is very funny indeed – these talented young actors have learned how to work every nuance and innuendo – and there are several singers in this company who would (and probably will) grace any opera house.*

*The show itself, new to me, although it's been around since 2010, is strong and an excellent choice for a drama school class of 21.*

*Based on a play by Ken Ludwig, and in this musical version by Brad Carroll and Peter Sham, it tells of a world famous tenor who, for various reasons, cannot sing at a make-or-break production of Pagliacci in Cleveland.*

*So he has to be impersonated. By the time we get into Act II we're firmly in farce territory with three people dressed as the tenor in Harlequin costume with lots of doors opening and closing. This cast, immaculately directed by Graham Gill (who was associate director on the original West End production) bring it off in spades.*

*Damian Kneale, as Tito the famous tenor, sings with such beautiful warmth, richness and musicality that he is totally convincing in this role. He's a fine actor too, adeptly conveying all his character's absurdity and vulnerability. The rapport with his wife (Ann-Marie Craine – lovely acting) is quite something too.*

*And my goodness, Lydia Gerrard is good as Diana Divane, the Cleveland Opera Company diva desperate for a big break. Her 'May I have a Moment?' number in Act II during which she dips in and out of a whole string of operas from Mozart to Wagner to impress Tito is both hilarious and unforgettable theatre.*

*I really liked Skye Adams' work as disingenuous Maggie, who has a crush on Tito. She has lots of personality, a very winning smile and an accomplished voice.*

*Max – the character who has to go on for Tito – is intelligently played by Harry Dunnett who presents him as a very nervous man. He holds his voice back until the singing lesson with Tito and then suddenly he becomes plausible as an opera singer.*

*It is, in short, a top-notch cast without a single weak link. And the ensemble work (slickly choreographed by Joanne McShane) is very sharp.*

*A word of praise too for Amy Watts' sets and costumes. We start downstage in front of a scalloped theatre curtain which is then drawn back to reveal the crisp, green art nouveau hotel suite Tito is staying in. It's imaginatively neat.*

*None of it would work of course without the splendid seven-piece on the balcony over the stage. MD Colin Billing, who leads from the keyboard, was the original musical director on **Lend Me a Tenor** and it shows to delicious effect.*

*Bravo to this show and all who sail in her – and on to great things very soon, I'm sure. Outstanding work all round.*

**Susan Elkin**

# THEATRICAL EDUCATIONAL SERVICES LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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### Presentations To The Public (continued)

#### London School of Musical Theatre – Grand Hotel

Saturday, 4 May, 2019 in [Onstage](#), [Review](#)

**Grand Hotel** is performed by London School of Musical Theatre students at the Bridewell Theatre, London.

Star rating: **five stars**

*You could transport this exceptional LSMT student production of Grand Hotel a mile up the road to any West End theatre, charge three times as much for a ticket, and anybody lucky enough to get in would still have a bargain.*

*It is THAT jaw-droppingly good. From every angle – singing, dancing, acting, directing, set, outfits, choreography, musicianship – it is an absolute marvel of a show.*

*Grand Hotel is based on a 1929 Vicki Baum novel and was first an Oscar-winning movie starring Greta Garbo and Joan Crawford.*

*As a musical that wasn't doing too well in the try-outs until Maury Yeston was brought in to supply new songs and rewrite much of Robert Wright and George Forrest's score, it eventually reached Broadway in 1989. London saw it three years later and there was a West End revival in 2004. It is hard to believe it was any more enjoyable than this.*

*It helps having a top-class musical to work with but from the moment a superbly-drilled cast launch into 'The Grand Parade' and the doctor/narrator, disfigured in the First World War, introduces us to the opulent, uber-expensive Grand in late 1920s Berlin, with its bustling staff and fascinatingly flawed guests, we are totally involved.*

*As the doctor (cynically played by Donal Brennan) says: "Grand Hotel, Berlin. Always the same – people come, people go – one life ends while another begins – one heart breaks while another beats faster – one man goes to jail while another goes to Paris – always the same."*

*Let's see, we've got a past-her-prime Russian ballerina, a mortally-ill bookkeeper who wants to spend his final days in luxury, a handsome but broke baron, a doctor with an eye-patch, a leader of industry whose firm is about to go bust, and a typist who dreams of being a Hollywood star and is prepared to use her charms to get there.*

*Course producer Adrian Jeckells and director Graham Hubbard have teased some remarkable performances from these students who arrive usually arts college-trained and sign up for LSMT's one-year course to fine-tune their musical skills, singing in particular.*

*There's not the hint of a weak link anywhere. Brad Barnley is impressive with his fine voice and acting skills as the dashing but dissolute baron, Freddie King brilliantly transforms himself into a stooping, pain-racked Jewish bookkeeper, and Hamburg-trained Felicitas Bauer's accent and poise never waver as the famous ballerina whose name no longer sells tickets.*

*They are three with very bright futures – and Bauer dances beautifully as well. So do the hotel entertainment team The Jimmys, played with high-kicking panache by Tyler Ephraim and Benjamin Terry. When they are joined by the equally athletic typist Flaemmchen (ex-Italia Conti student Hannah Lowther), their routine is simply electric.*

*Lowther is real triple threat talent, stealing almost every scene she's in. She drops sleazy, axed-by-the-board Hermann (Joshua Crossley, excellent) who was taking her to Boston as his bit on the side and goes off to Paris with her new friend, the dying Otto (and suddenly rich Otto thanks to a share tip from the baron).*

# THEATRICAL EDUCATIONAL SERVICES LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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### ***Presentations To The Public (continued)***

*Lowther sings delightfully as do Eleanor Lakin as the ballerina's secretary-companion Raffaella and Ross Harmon as receptionist Erik who is on tenterhooks awaiting news that he's become a dad.*

*Amy Watts' period set is a work of art and she dresses everyone perfectly in period. Cristian Valle's choreography is frenetic and thrilling. Neil Macdonald directs a band of seven. My guest thought they were a little loud and drowned some words but I can't agree. If there is a weakness with Grand Hotel, it would be that it lacks a killer song.*

*Everything about this show is quality, right down to the very smart programme. Bravo!*

*Of their 42 students, LSMT employed 21 apiece in their casts for Lend Me A Tenor and Grand Hotel. They have already had one gushing five-star review a couple of weeks ago from colleague Susan Elkin for Lend Me A Tenor. Here's another. I never wanted it to end.*

**Jeremy Chapman**

### **Student Funding Support**

There were 42 graduating students in the year ending 31st August 2019, and the fees were £15,100.

We were fortunate to secure funding of £5,000 from Andrew Lloyd Webber Foundation towards fees for one of the students. Ian Fleming Trust gave £2,000 directly to another student as support for training.

Institute of Entertainment and Arts Management gave funding towards fees of £750 for one student and £500 for another.

Lionel Bart Foundation gave three donations of £500 towards fees.

LSMT gave grants against fees, as follows: Beth Adams (£1,000), Nicole Botha (£3,000), Donal Brennan (£5,000), Annie Rose Chapman (£2,000), Brendan Cunningham (£1,500), Hannah Carnac (£1,500), Harry Dunnett (£1,000), Lorenzo Olivera (£2,000), Georgia Gagan (£2,000), Jessica Harrison (£2,000), Sophie Holland (£5,500), Jessica Hobson (£2,000), Emily Shelton (£1,500), Benjamin Terry (£3,000) and Olivia Williamson (£2,000). Mary Tyler Moore received £3,500 under our George Peabody Performing Arts Grant.

The Trustees understand that LSMT must operate for the public benefit, and in particular are committed to raising our support for those that need financial assistance in order to attend our organisation. In total we distributed £38,500 in funding which represents a major uplift from the previous year (£26,900).

### **Support For Ethnic Diversity**

LSMT is pro-active in it's approach to recruiting students from diverse backgrounds. For the course relevant to this report, there were two students of Afro-Caribbean/African descent, and two of mixed ethnicity. Three of these students applied for funding from LSMT and two were awarded £3,000 and one awarded the George Peabody Performing Arts Grant of £3,500.

The George Peabody Performing Arts Grant was initiated during this course. This is a specific fund allocated by LSMT to assist students from inner-city areas/low income backgrounds that would not otherwise be able to benefit from our training. The award has been named after the great Victorian Philanthropist, George Peabody, in recognition of our close relationship with Peabody (our Landlord), one of London's oldest and largest housing associations. This award is aimed (although not exclusively) at applicants from the BAME community, and is advertised on our website.

# THEATRICAL EDUCATIONAL SERVICES LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Financial review

The charity made a surplus of £16,794 in the period of the report. This is a major improvement over the deficit of £24,233 the previous year.

The requirement to show the considerable building refurbishment in 2016, amortised only over the term of the current 5 year lease, continues to impact on the figures in the accounts. We are however entering negotiations with the Landlord for the issue of a much longer lease upon the expiry of the current one on 30th June 2021. In practical terms once a new lease is issued it will mean that the 2016 improvements would have a much longer benefit than that currently expressed in the financial statements.

The Trustees have examined the charity's requirement for reserves in light of the main risks to the organisation. The rapid improvement in the organisation's financial position from the previous year is encouraging, and it is the intention of the Trustees to continue this trajectory.

The intention in the future is to hold reasonable levels of reserves in the organisation to protect against unforeseen circumstances and potential risks without over retention, which would be contrary to our charitable delivery.

The charity charges a set fee for the course it provides.

The Trustees recognise that affordability for less well off students is a priority and to that end distributed considerable funding in the period of this report. In addition the school continues to receive great support from outside Trusts and Foundations that offer our students funding to attend (Lionel Bart Foundation, Andrew Lloyd Webber Foundation, Ian Fleming Foundation, Institute of Entertainment and Arts Management).

### Structure, governance and management

The school was established as a full time training establishment in January 1995 and incorporated as a Company Limited by Guarantee on 18th December 1996. The Company was registered as a Charity on 21st March 2016.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

A W Jeckells

J R Ronane

N J Bell

D R C Stewart

In accordance with the Articles of Association, a Trustee shall hold office indefinitely unless they resign, are removed or are disqualified.

The Trustees have been appointed with due consideration to their background and experience, in respect to delivering the objects of the company.

Adrian Jeckells is both a Trustee and an employee of the company in the capacity of Principal. All other Trustees give their time voluntarily and receive no benefits from the charity. There must be at least three Trustees and no more than six, at any one time. There were no appointments to the board in the period of this report.



# **THEATRICAL EDUCATIONAL SERVICES LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Risk Management**

Where appropriate, systems or procedures have been established to mitigate the risk the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions, and projects. Finance management is closely monitored with a Finance Manager being employed by the charity. Accounts are regularly prepared for inspection and discussion by the Trustees upon the calling of a Board Meeting.

### **Key Staff**

London School of Musical Theatre employs three staff to administer the course; The Principal (Full-time), Course Manager (Full time) and Finance Manager (Part-time). All artistic/teaching staff are engaged on a freelance basis in line with their self-employed tax status.

### **Meetings of the Board of Trustees**

The Trustees meet at regular intervals throughout the year, depending on the importance of matters to be discussed, and such meetings are run in accordance with the articles of association.

### **Plans for Future Periods**

The charity plans to continue its activities to serve the community in which it operates in the forthcoming years, and to continue its financial stabilisation.

A major aim for the future is to provide more subsidised fees and secure additional outside funding for student support, to allow greater access to the services provided, to those from disadvantaged backgrounds.

The trustees' report was approved by the Board of Trustees.

### **A W Jeckells**

Trustee

Dated: 25 May 2020

# THEATRICAL EDUCATIONAL SERVICES LIMITED

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF THEATRICAL EDUCATIONAL SERVICES LIMITED

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I report to the trustees on my examination of the financial statements of Theatrical Educational Services Limited (the charity) for the year ended 31 August 2019.

#### **Responsibilities and basis of report**

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of , which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

John Pudduck FCCA

Martlet House  
E1, Yeoman Gate  
Yeoman Way  
Worthing  
West Sussex  
BN13 3QZ

Dated: 25 May 2020

# THEATRICAL EDUCATIONAL SERVICES LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 AUGUST 2019**

|   | Notes | Unrestricted<br>funds<br>2019<br>£ | Restricted<br>funds<br>2019<br>£ | Total<br>2019<br>£ | Total<br>2018<br>£ |
|---|-------|------------------------------------|----------------------------------|--------------------|--------------------|
| <b><u>Income from:</u></b>  |       |                                    |                                  |                    |                    |
| Donations and legacies  | 3     | -                                  | 8,750                            | 8,750              | 4,500              |
| Charitable activities   | 4     | 665,449                            | -                                | 665,449            | 633,209            |
| <b>Total income</b>   |       | 665,449                            | 8,750                            | 674,199            | 637,709            |
| <b><u>Expenditure on:</u></b>   |       |                                    |                                  |                    |                    |
| Charitable activities   | 5     | 664,351                            | 7,750                            | 672,101            | 671,114            |
| Taxation  | 8     | (14,696)                           | -                                | (14,696)           | (9,172)            |
| <b>Total resources expended</b>   |       | 649,655                            | 7,750                            | 657,405            | 661,942            |
| <b>Net income/(expenditure) for the year/<br/>Net movement in funds</b> |       | 15,794                             | 1,000                            | 16,794             | (24,233)           |
| Fund balances at 1 September 2018                                       |       | 15,063                             | -                                | 15,063             | 39,296             |
| <b>Fund balances at 31 August 2019</b>                                  |       | 30,857                             | 1,000                            | 31,857             | 15,063             |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THEATRICAL EDUCATIONAL SERVICES LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2019

|   | Notes | 2019<br>£        | £             | 2018<br>£        | £             |
|---|-------|------------------|---------------|------------------|---------------|
| <b>Fixed assets</b>                                   |       |                  |               |                  |               |
| Goodwill  | 9     |                  | 8,675         |                  | 9,200         |
| Tangible assets                                       | 10    |                  | 161,883       |                  | 230,522       |
| <b>Current assets</b>                                 |       |                  |               |                  |               |
| Debtors   | 12    | 134,067          |               | 256,423          |               |
| Cash at bank and in hand                              |       | 421,172          |               | 229,220          |               |
|   |       | <u>555,239</u>   |               | <u>485,643</u>   |               |
| <b>Creditors: amounts falling due within one year</b> | 13    | <u>(693,940)</u> |               | <u>(710,302)</u> |               |
| Net current liabilities                               |       |                  | (138,701)     |                  | (224,659)     |
| <b>Total assets less current liabilities</b>          |       |                  | <u>31,857</u> |                  | <u>15,063</u> |
| <b>Income funds</b>                                   |       |                  |               |                  |               |
| Restricted funds                                      |       |                  | 1,000         |                  | -             |
| Unrestricted funds                                    |       |                  | 30,857        |                  | 15,063        |
|   |       |                  | <u>31,857</u> |                  | <u>15,063</u> |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2019.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 25 May 2020

A W Jeckells  
Trustee

Company Registration No. 03293892

# THEATRICAL EDUCATIONAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **1 Accounting policies**

#### **Charity information**

Theatrical Educational Services Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 83 Borough Road, Southwark, London, SE1 1DN.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's constitution, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

Following the disruption in 2015/16, when the school moved to temporary accommodation so that its premises at Borough Road could be re-furnished, income levels have returned to previous levels and more to the extent that in the year the charity has made a surplus. This trend of increasing gross income and surpluses, strengthening the financial position to better serve students in the future, was expected to continue until the onset of the coronavirus epidemic, which has emerged in the spring of 2020. At the current time it is difficult to predict how the crisis will affect the school but the trustees have reviewed the situation. Taking into account the possibility of reduced income, unavoidable expenses and government assistance they consider, at this stage, that the school has the cash resources to meet its financial commitments. Consequently the trustees are of the opinion that it is appropriate for the accounts to be prepared on the going concern basis.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### **1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

# THEATRICAL EDUCATIONAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **1 Accounting policies**

**(Continued)**

Turnover is measured at the fair value of the consideration received or receivable and is in the main derived from the annual course, from which the revenue is recognised as the courses are delivered.

Revenue from auditions are recognised when the auditions are incurred.

Revenue from the ticket sales of school productions are recognised when the productions are incurred.

#### **1.5 Expenditure**

Expenditure is recognised on an accruals basis as a liability is incurred.

#### **1.6 Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill shall be considered to have a finite useful life, and shall be amortised on a systematic basis over its 20 year life.

#### **1.7 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                                  |                      |
|----------------------------------|----------------------|
| Leasehold land and buildings     | Over term of lease   |
| Fixtures, fittings and equipment | 15% reducing balance |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### **1.8 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### **1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **1.10 Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

# THEATRICAL EDUCATIONAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Accounts payable are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **1.11 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

#### **1.14 Irrecoverable VAT**

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# THEATRICAL EDUCATIONAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 3 Donations and legacies

|                     | Restricted<br>funds | Total     |
|---------------------|---------------------|-----------|
|                     | 2019<br>£           | 2018<br>£ |
| Donations and gifts | 8,750               | 4,500     |

### 4 Charitable activities

|                          | 2019<br>£      | 2018<br>£      |
|--------------------------|----------------|----------------|
| Course fees              | 643,478        | 608,167        |
| Audition income          | 5,705          | 8,020          |
| Box income               | 12,701         | 12,302         |
| Charitable rental income | 2,930          | 3,680          |
| Other income             | 635            | 1,040          |
|                          | <u>665,449</u> | <u>633,209</u> |



# THEATRICAL EDUCATIONAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 5 Charitable activities

|   | Charitable<br>activities<br>2019<br>£ | Support<br>costs<br>2019<br>£ | Total<br>2019<br>£ | Total<br>2018<br>£ |
|---|---------------------------------------|-------------------------------|--------------------|--------------------|
| Staff costs   | 78,713                                | 46,703                        | 125,416            | 126,160            |
| Depreciation and impairment                                   | 74,859                                | -                             | 74,859             | 72,179             |
| Rent, rates, and water  | 61,338                                | -                             | 61,338             | 68,711             |
| Trade mark licence  | 30,000                                | -                             | 30,000             | 30,000             |
| London School of Musical Theatre grants and charitable awards | 46,250                                | -                             | 46,250             | 31,400             |
| Costs of production   | 128,202                               | -                             | 128,202            | 120,860            |
| Advertising and promotion                                     | 10,337                                | -                             | 10,337             | 10,211             |
| Tutors fees   | 118,561                               | -                             | 118,561            | 127,873            |
| Professional fees   | -                                     | 15,778                        | 15,778             | 16,260             |
| Establishment expenses  | 26,155                                | 18,648                        | 44,803             | 42,221             |
| Office expenses   | 3,643                                 | 978                           | 4,621              | 5,781              |
| Provision for bad debts                                       | -                                     | 3,970                         | 3,970              | 8,220              |
| Interest paid and bank charges                                | -                                     | 2,097                         | 2,097              | 1,058              |
| Travel and subsistence and outings                            | 3,796                                 | 639                           | 4,435              | 6,746              |
| Other   | -                                     | 1,434                         | 1,434              | 3,434              |
|   | <u>581,854</u>                        | <u>90,247</u>                 | <u>672,101</u>     | <u>671,114</u>     |
|   | <u>581,854</u>                        | <u>90,247</u>                 | <u>672,101</u>     | <u>671,114</u>     |
| <b>Analysis by fund</b>                                       |                                       |                               |                    |                    |
| Unrestricted funds  | 574,104                               | 90,247                        | 664,351            | 666,614            |
| Restricted funds  | 7,750                                 | -                             | 7,750              | 4,500              |
|   | <u>581,854</u>                        | <u>90,247</u>                 | <u>672,101</u>     | <u>671,114</u>     |
| <b>For the year ended 31 August 2018</b>                      |                                       |                               |                    |                    |
| Unrestricted funds  | 573,596                               | 93,018                        |                    | 666,614            |
| Restricted funds  | 4,500                                 | -                             |                    | 4,500              |
|   | <u>578,096</u>                        | <u>93,018</u>                 |                    | <u>671,114</u>     |

### 6 Trustees

During the year Adrian Jeckells was paid a salary of £61,500 (2018: £60,000) and pension contributions of £12,000 (2018: £12,000) have been paid by the charity for his benefit.

The emoluments paid to Adrian Jeckells is in accordance clause 6 of the Articles of Association concerning allowed payments for reasonable and proper remuneration for services rendered to the charity as the Principal.

# THEATRICAL EDUCATIONAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 7 Employees

#### Number of employees

The average monthly number of employees during the year was:

|  | 2019<br>Number | 2018<br>Number |
|--|----------------|----------------|
|  | 3              | 3              |

#### Employment costs

|                       | 2019<br>£      | 2018<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 97,500         | 98,752         |
| Social security costs | 7,279          | 7,517          |
| Other pension costs   | 12,634         | 12,000         |
|                       | <u>117,413</u> | <u>118,269</u> |

### 8 Taxation

|                    | Unrestricted<br>funds | Total          |
|--------------------|-----------------------|----------------|
|                    | 2019                  | 2018<br>£      |
| Theatre tax relief | (14,696)              | (9,172)        |
|                    | <u>(14,696)</u>       | <u>(9,172)</u> |

Theatrical Educational Services, as a registered charity, is exempt from corporation tax under Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of the Chargeable Gains Act 1992 to the extent that surpluses are applied to its charitable purposes.

The charity does however qualify for Theatre Tax Relief in respect of certain expenditure it incurs on its theatrical productions, resulting in the tax credits included in the accounts as above.

# THEATRICAL EDUCATIONAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 9 Intangible fixed assets

Goodwill  
£

#### Cost

At 1 September 2018 and 31 August 2019

40,500

#### Amortisation and impairment

At 1 September 2018

31,300

Amortisation charged for the year

525

At 31 August 2019

31,825

#### Carrying amount

At 31 August 2019

8,675

At 31 August 2018

9,200

### 10 Tangible fixed assets

|  | Leasehold<br>land and<br>buildings<br>£ | Fixtures,<br>fittings and<br>equipment<br>£ | Total<br>£ |
|--|---|---|------------|
|--|---|---|------------|

#### Cost

At 1 September 2018

|         |         |         |
|---------|---------|---------|
| 353,152 | 107,202 | 460,354 |
|---------|---------|---------|

Additions

|   |       |       |
|---|-------|-------|
| - | 5,694 | 5,694 |
|---|-------|-------|

At 31 August 2019

|         |         |         |
|---------|---------|---------|
| 353,152 | 112,896 | 466,048 |
|---------|---------|---------|

#### Depreciation and impairment

At 1 September 2018

|         |        |         |
|---------|--------|---------|
| 154,438 | 75,393 | 229,831 |
|---------|--------|---------|

Depreciation charged in the year

|        |       |        |
|--------|-------|--------|
| 67,938 | 6,396 | 74,334 |
|--------|-------|--------|

At 31 August 2019

|         |        |         |
|---------|--------|---------|
| 222,376 | 81,789 | 304,165 |
|---------|--------|---------|

#### Carrying amount

At 31 August 2019

|         |        |         |
|---------|--------|---------|
| 130,776 | 31,107 | 161,883 |
|---------|--------|---------|

At 31 August 2018

|         |        |         |
|---------|--------|---------|
| 198,714 | 31,808 | 230,522 |
|---------|--------|---------|

### 11 Financial instruments

|  | 2019<br>£ | 2018<br>£ |
|--|-----------|-----------|
|--|-----------|-----------|

#### Carrying amount of financial assets

Debt instruments measured at amortised cost

|         |         |
|---------|---------|
| 115,178 | 246,155 |
|---------|---------|

#### Carrying amount of financial liabilities

Measured at amortised cost

|         |         |
|---------|---------|
| 691,315 | 708,027 |
|---------|---------|

# THEATRICAL EDUCATIONAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 12 Debtors

|   | 2019<br>£      | 2018<br>£      |
|---|----------------|----------------|
| <b>Amounts falling due within one year:</b> |                |                |
| Accounts receivable                         | 97,678         | 228,655        |
| Corporation tax recoverable                 | 14,696         | 9,268          |
| Other debtors                               | 17,500         | 17,500         |
| Prepayments and accrued income              | 4,193          | 1,000          |
|   | <u>134,067</u> | <u>256,423</u> |

### 13 Creditors: amounts falling due within one year

|                                    | 2019<br>£      | 2018<br>£      |
|------------------------------------|----------------|----------------|
| Other taxation and social security | 2,625          | 2,275          |
| Accounts payable                   | 6,243          | 6,194          |
| Other creditors                    | 139            | -              |
| Accruals and deferred income       | 684,933        | 701,833        |
|                                    | <u>693,940</u> | <u>710,302</u> |

### 14 Analysis of net assets between funds

|   | Unrestricted<br>funds<br>2019<br>£ | Restricted<br>funds<br>2019<br>£ | Total<br>2019<br>£ | Total<br>2018<br>£ |
|---|------------------------------------|----------------------------------|--------------------|--------------------|
| Fund balances at 31 August 2019 are represented by: |                                    |                                  |                    |                    |
| Intangible fixed assets                             | 8,675                              | -                                | 8,675              | 9,200              |
| Tangible assets                                     | 161,883                            | -                                | 161,883            | 230,522            |
| Current assets/(liabilities)                        | (138,701)                          | -                                | (138,701)          | (224,659)          |
|   | <u>31,857</u>                      | <u>-</u>                         | <u>31,857</u>      | <u>15,063</u>      |

### 15 Events after the reporting date

In the spring of 2020 the coronavirus epidemic has emerged and interrupted the current year's course. An estimate of the financial effect of the crisis cannot be made at this time.

### 16 Related party transactions

There were no disclosable related party transactions during the year other than those disclosed in Note 6.

**THEATRICAL EDUCATIONAL SERVICES LIMITED**  
**MANAGEMENT INFORMATION**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

# THEATRICAL EDUCATIONAL SERVICES LIMITED

## DETAILED STATEMENT OF FINANCIAL ACTIVITIES

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

|   | 2019         | 2018            |
|---|--------------|-----------------|
|   | £            | £               |
| <b>Income and endowments</b>                            |              |                 |
| <b>Donations and Legacies</b>                           |              |                 |
| Donations and sponsorship                               | 8,750        | 4,500           |
|   | <hr/>        | <hr/>           |
| <b>Other trading activities</b>                         |              |                 |
| Course fees   | 643,478      | 608,167         |
| Audition income   | 5,705        | 8,020           |
| Box income  | 12,701       | 12,302          |
| Room hire   | 2,930        | 3,680           |
| Other income  | 635          | 1,040           |
|   | <hr/>        | <hr/>           |
|   | 665,449      | 633,209         |
|   | <hr/>        | <hr/>           |
| <b>Total Income</b>                                     | 674,199      | 637,709         |
| <br><b>Expenditure</b> - (Detail overpage)              |              |                 |
| Activities undertaken directly                          | (581,854)    | (578,096)       |
| Support costs   | (90,247)     | (93,018)        |
|   | <hr/>        | <hr/>           |
| <b>Surplus/(Deficit) for the year before tax credit</b> | <u>2,098</u> | <u>(33,405)</u> |

# THEATRICAL EDUCATIONAL SERVICES LIMITED

## DETAILED STATEMENT OF FINANCIAL ACTIVITIES

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

|   | 2019    | 2018    |
|---|---------|---------|
|   | £       | £       |
| <b>Expenditure on charitable activities</b>                   |         |         |
| <b><i>Activities undertaken directly</i></b>                  |         |         |
| Directors salaries  | 61,500  | 60,000  |
| Directors national insurance contributions                    | 5,213   | 5,139   |
| Directors pensions  | 12,000  | 12,000  |
| Rent  | 56,000  | 56,000  |
| Trade mark licence  | 30,000  | 30,000  |
| Student outings   | 3,796   | 4,770   |
| Tutor fees  | 118,561 | 127,873 |
| Rates and water   | 5,338   | 12,712  |
| Light and heat  | 4,975   | 5,076   |
| Repairs and maintenance                                       | 13,622  | 13,379  |
| Insurance   | 4,384   | 6,175   |
| Telephone and internet  | 3,174   | 3,118   |
| Printing, postage and stationery                              | 3,643   | 4,919   |
| Amortisation  | 525     | 525     |
| Depreciation  | 74,334  | 71,654  |
| Hire of equipment   | -       | 2,285   |
| Advertising and promotion                                     | 10,337  | 10,211  |
| Cost of production - theatre hire                             | 17,053  | 15,639  |
| Cost of production - sound                                    | 2,595   | 8,564   |
| Cost of production - set and costume                          | 17,900  | 19,431  |
| Cost of production - freelance fees                           | 80,307  | 66,696  |
| Cost of production - royalties                                | 2,132   | 2,342   |
| Cost of productions - sundry                                  | 8,215   | 8,188   |
| London School of Musical Theatre grants and charitable awards | 46,250  | 31,400  |
|   | <hr/>   | <hr/>   |
|   | 581,854 | 578,096 |
|   | <hr/>   | <hr/>   |

# THEATRICAL EDUCATIONAL SERVICES LIMITED

## DETAILED STATEMENT OF FINANCIAL ACTIVITIES

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

|                                      | 2019   | 2018   |
|--------------------------------------|--------|--------|
|                                      | £      | £      |
| <b>Support costs</b>                 |        |        |
| Wages and salaries                   | 36,000 | 38,752 |
| Employers' NIC                       | 2,066  | 2,379  |
| Pension costs                        | 634    | -      |
| Freelance - front desk               | 2,585  | 3,865  |
| Travel and subsistence               | 639    | 1,976  |
| Consultancy                          | -      | 600    |
| Sundry expenses                      | 1,434  | 1,149  |
| Interest on bank overdraft           | 18     | -      |
| Interest payable and similar charges | 315    | 30     |
| Refreshments                         | 4,418  | 4,026  |
| Training costs                       | 1,000  | -      |
| Bookkeeping fees                     | 8,200  | 7,200  |
| Payroll bureau fees                  | 804    | 612    |
| Independent examination fee          | 600    | 600    |
| Accountancy fees                     | 6,174  | 7,248  |
| Computer costs                       | 417    | 300    |
| Cleaning and caretaker               | 18,648 | 14,472 |
| Bank charges                         | 1,764  | 1,027  |
| Subscription fees                    | 561    | 562    |
| Provision for bad debts              | 3,970  | 8,220  |
|                                      | <hr/>  | <hr/>  |
|                                      | 90,247 | 93,018 |
|                                      | <hr/>  | <hr/>  |



## Document Activity Report

**Document Sent** Tue, 26 May 2020 11:19:19 GMT

**Document Approval Status** Approved

### Approval Activity Summary

Adrian Jeckells Approved Tue, 26 May 2020 13:25:55 GMT

### Document Activity History

Document history shows most recent activity first

| Date                          | Activity                            |
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| Thu, 28 May 2020 13:39:27 GMT | Glenn Lee viewed the document       |
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