

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

Statement of accounts

for the year ended

30th April 2020

BRITISH AMERICAN DRAMA ACADEMY
REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees of the British American Drama Academy (which also operates under the name of BADA) presents its annual report and audited financial statements for the year ended 30 April 2020.

Reference and administrative details

Trustees

M. Boyle (Chairman)
L. Carlston (Appointed 15 October 2019)
L. Chantal
C. Cook
D. Gelon
R. Hogarth
M. Whitlum-Cooper
M. Whittaker
T. Campbell (Resigned 8 July 2020)

Key management

Dr. L. Franke - Managing Director (appointed 20 February 2020)
T. Denham – Managing Director (resigned 31 March 2020)
E. Roberts - Dean
H. Ainsworth FCA – Finance Director (appointed 24 February 2020)

Registered and Principal office

14 Gloucester Gate
Regents Park
London
NW1 4HG

Auditors

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Bankers

Clydesdale Bank plc
154 – 158 Kensington High Street
London
W8 7RL

Solicitors

Freeths LLP
5000 Oxford Business Park South
Oxford
OX4 2BH

Weil, Gotshal & Manges (London) LLP
110 Fetter Lane
London
EC4A 1AY

Winston & Strawn London LLP
City Point, One Ropemaker Street
London
EC2Y 9AW

BRITISH AMERICAN DRAMA ACADEMY

REPORT OF THE BOARD OF TRUSTEES

Structure, governance and management

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

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

In March 2020 Tim Denham, who as Managing Director had headed up the Executive Team since November 2016, stepped down from his position. The Trustees used this opportunity to separate his responsibilities into two clearly defined roles of Managing Director and Finance Director. Dr Lars Franke was appointed as Managing Director and Helen Ainsworth FCA as Finance Director. Eunice Roberts continues in her role as Dean. The Trustees would like to place on record their appreciation of the achievements of BADA whilst under the leadership of Tim Denham and in particular the legacy of the sound reserves base that we have which is proving to be so pertinent in the current COVID-19 pandemic.

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

- Finance & General Purposes Committee which meets at least every four months. Members are Marcus Boyle (chair), Maggie Whitlum-Cooper, Christopher Cook and Ruth Hogarth;
- Academic and Artistic Committee which meets at least twice a year. Members are Christopher Cook (chair), Maggie Whitlum-Cooper, Louise Chantal, Ruth Hogarth and Topher Campbell until his resignation.

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

The Board are delighted to announce that in April 2020 Brian Cox, CBE agreed to act as Patron of the Academy.

Public benefit disclosures

Providing access to financial aid is seen as an integral part of the recruitment process and particular attention is paid to ensuring that gifted students are given assistance to enable them to attend the courses. The Trustees have considered the impact of the public benefit requirement including the guidance issued by the Charity Commission and believe that the Academy meets the tests. BADA has always sought to attract those who cannot afford the fees charged, by the provision of scholarships and financial aid.

Over two thirds of our students receive financial aid ranging from full scholarships to smaller contributions.

Objectives and activities

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

The Academy seeks to achieve these aims through its residential summer programs in Oxford and its Fall and Spring Term courses in London, the London Theatre Program (LTP), which is co-sponsored by Sarah Lawrence College in New York. A formal agreement between the Academy and Sarah Lawrence College sets out the sharing and distribution of the program resources. Links with major universities and colleges in the United States of America, together with a policy of auditioning all prospective students ensure a high standard of those attending the courses. Particular attention is paid to the overall experience enjoyed by the students. This also serves to encourage word of mouth promotion by alumni and teachers which is seen as one of the Academy's strengths, evidenced by the high level of interest in the programs encountered by our representatives as they visit colleges in the USA.

Achievements and performance

Student numbers during the year were 168 (2019: 177) with 56 (2019: 68) students joining the LTP and 112 (2019: 109) students joining the Oxford programs. The Academy set out to maintain its existing courses at their current high level despite the harsher financial climate still being experienced. From a qualitative viewpoint, the Academy's standing among its students and alumni appears to remain strong. Quantitatively, applications and attendances have remained steady, despite economic difficulties faced by students. It is the Academy's intention to maintain the quality and diversity of participants despite other pressures on student numbers.

BRITISH AMERICAN DRAMA ACADEMY

REPORT OF THE BOARD OF TRUSTEES

The Academy has continued its strategy of offering workshops to colleges as part of its commitment to further outreach to ethnically diverse students.

The escalation of COVID-19 as a global pandemic early in 2020 impacted the Spring semester of the LTP causing the termination of onsite learning in early March as our students headed back to the States to avoid closure of borders and the lockdown in the UK. Faculty rose to the challenge and the program continued online with students and faculty devising imaginative ways of staging remotely the course end productions and all students thereby completing their studies with full credit.

Financial review

Income from programs was £1,863,551 (2019: £1,964,709), the reduction being due to the slightly lower numbers on the LTP than in the previous year, and impacting directly on the results for the year which show a net deficit of £7,218 (2019: surplus £121,434). Within these figures, financial aid awards were £263,521 (2019: £262,459), continuing the Academy's commitment to ensuring that financial need is not a barrier to participation in the programs.

The financial impact of COVID-19 on the year was minimal, the UK lockdown happening when it did in our financial cycle. The main impact was the refund to our students of the cost of their accommodation that they had had to vacate early. The total cost to BADA was £10,639 after offsetting the refund to BADA from the accommodation provider.

Key risks and uncertainties disclosures

The major risks to the Academy are kept under frequent review and addressed as necessary. As most of the Academy's students are from the United States of America, international events and the ongoing economic difficulties could adversely affect student numbers. In addition, the possible trend in the value of the US Dollar against Sterling may impact on the Academy.

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

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

COVID-19 has brought into sharp focus the risk of the unforeseen reduction in student numbers. Restrictions on international travel, the implications of social distancing and the fact that the creative arts sector is still unable to operate has had a direct impact on our programs for 2020/21. The decision had to be taken in April to cancel our Oxford programs in July 2020. Shortly thereafter US universities and colleges cancelled their study abroad programs for this autumn and therefore we are unable to run our LTP autumn semester. All students who had been selected to join us in the autumn have been offered, and accepted, the opportunity to join our spring semester. Applications for the spring semester are still open and potentially student numbers for this semester alone could exceed total LTP student number for 2019/20. However, there is concern that US universities may take the same view of study abroad for the spring 2021 semester which traditionally starts in early January. With this in mind we have actively reviewed how the Academy can offer the program but in a different format, either fully online or moving the program to late spring to avoid the flu season and therefore mitigate the impact of coronavirus. Taking into account the guidance published by the UK Government for higher education providers on the measures to be taken to minimise risk of transmission, the extension of social distancing measures in the UK anticipated until March 2021, the continued restrictions on international travel as well as the fact that theatres and other cultural venues in the UK may still not be fully open in the spring, Sarah Lawrence College are of the opinion that the overall experience of the students coming to London would be negatively impacted. Sarah Lawrence College and BADA have agreed that the spring semester will now be offered fully online.

The Academy's financial risk management objectives are to ensure funding resources and to continue to monitor costs. The Board regularly reviews budgets, forecasts and currency exposure. The due diligence of the Board in discharging its governance responsibilities has been brought to the fore by the COVID-19 pandemic as they have worked closely with the Executive to draw up and implement detailed financial plans to mitigate the impact of COVID-19 and ensure that BADA emerges from this crisis financially sound and ready and able to provide future students with the same, if not enhanced, experiences enjoyed by our students of the past.

Plans for future periods

During the year the Academy published a new three year business plan which consolidates BADA's achievements and develops new initiatives in order for it to continue to deliver its exceptional offer to an increasingly larger and more diverse audience. The business plan defines the ten year vision of the BADA of 2030 and therefore forms the foundation of achieving this. The business plan also identified the need for a structured fundraising program to ensure that BADA can recruit a diverse student body without financial need being an obstacle.

The emergence of COVID-19 just at the time as the business plan was being unveiled has meant that the Academy has effectively put part of the plan on hold and had to bring to the fore what had been the longer term plans of creating new ways of learning, such as digital models, and creating new courses for different audiences. The fundraising program is for the moment being directed towards raising general funds which can be utilised by the Academy in its day to day operations.

BRITISH AMERICAN DRAMA ACADEMY

REPORT OF THE BOARD OF TRUSTEES

Going Concern

The impact of COVID-19 on the Academy's programs for the current 2020/21 financial year has, so far, been draconian. As outlined in the paragraphs above detailing the key risks and uncertainties facing the Academy, the Oxford programs and the LTP autumn semester have been cancelled and there is uncertainty as to whether we will be able to proceed with the 2021 LTP spring semester. So far for 2020/21 the Academy has received no income from its programs and is facing the prospect of there being no income from the spring semester either.

The Executive in conjunction with the Board undertook detailed financial modelling and scenario analysis in March 2020 as soon as the longer term impact of COVID-19 on the Academy became apparent to determine how, and if so, in what format, the Academy can continue as a going concern. The worst case scenario identified was that the Academy would receive no program income in 2020/21 which would result, without any action to reduce overheads or to seek alternative sources of funding, in the exhaustion of its accumulated reserves and cash balances in meeting its general overheads.

The Board and Executive have therefore explored all options to reduce general overheads and to seek other funds and income support to ensure that it has sufficient reserves to continue as a going concern. The Academy has two significant cost centres, staffing costs and property costs.

The Academy has taken advantage of the Coronavirus Job Retention Scheme to furlough administrative office staff until the end of October 2020 when the scheme comes to an end. Sadly the fact that the Academy is unable to run the LTP autumn semester, and with the potential that the LTP spring semester may be cancelled, the decision has had to be made that these staff are to be made redundant when the furlough scheme ends unless they wish to accept a change in their employment contract to one of zero hours.

In March 2020 an approach was made to the Crown Estate, the Academy's landlord at Gloucester Gate, for a rent holiday of at least one quarter. We have recently learned, disappointedly, that this is not to be forthcoming with the only option being deferral of payment until March 2021. The contingency planning however had assumed that there would be no reduction in the rent charge and therefore this decision has no adverse impact on the outcome of the financial modelling.

The Executive has reviewed all other general overhead costs and taken action to make savings where possible. All staff have been working from home since March 2020 and will continue to do so for the foreseeable future which reduces some of the office costs, such as light and heat. As the Academy is not currently engaged in running its programs all overseas travel for recruitment and audition purposes has ceased. All such activity has now moved online.

The agreement with Sarah Lawrence College for the co-sponsorship of the LTP was reviewed in detail by the Executive for clauses which referred to the possible situation of there being no students in any one academic year. The structure of the agreement is such that Sarah Lawrence College makes a contribution towards the general overheads of the Academy. Sarah Lawrence College have confirmed that under the agreement, with there being no students, they are still required to provide funding to BADA and this will be £218,000 for the 2020/21 financial year. This will be paid to the Academy in instalments commencing in October 2020.

The Academy sublets part of its premises to one of the UK's leading childcare providers. The annual rent and service charges amount to £115,500. The nursery closed when the UK went into lockdown in March 2020 but reopened again in June 2020. However, the nursery continued to meet its rent and service charge commitments throughout the lockdown period and has continued to do so since then. The Academy considers that this income is reliable for the foreseeable future.

In the absence of the Oxford program Eunice Roberts developed two online programs which ran throughout July and August. The first, sponsored by the Norman Ayrton Charitable Trust, was directed to students aged 16 to 18 years old and took the form of three weeks of online tuition. The second, the Summer Shakespeare Series, directed towards students aged over 18 years who were unable to attend Oxford, and all alumni, was a series of masterclasses, interviews and tutorials from world renowned actors and directors including Patrick Stewart and Miriam Margolyes. A small donation was suggested for each session of the series. Overall income from both programs was just over £7,000, a small contribution towards general overheads but playing a significant part in maintaining BADA's presence on the world stage.

The Board, whilst wishing to assume that programs can return to 'normal' in 2021/22, are taking a cautious view and assuming that the 2021 Oxford summer programs may be unable to proceed but that by the autumn of 2021 there will be, in the educational, travel and theatre worlds, established systems and controls for containment of the spread of coronavirus such that the LTP programs for autumn 2021 and spring 2022 will be able to operate.

Adjusting the financial model for 2020/21 to account for the funding from Sarah Lawrence College, the savings in salaries and other general overheads and the rental receipts from the nursery, and then looking forward to 2021/22 with a reduced offering indicates that the Academy has sufficient cash and general unrestricted reserves to meet its financial obligations going forward. The Board is therefore of the opinion that the Academy has the ability to continue as a going concern for the foreseeable future.

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Reserves

The Academy's unrestricted reserves at 30 April 2020 were £877,576 (2019: £878,619), which represents just over eleven months of the Academy's general overheads, a significant factor in the aftermath of the COVID-19 pandemic. As outlined in the going concern review above, this solid reserve base, combined with the cost savings and funding agreed for the current year ensures that the Academy can meet its financial obligations going forward. The rebuilding of the accumulated reserve base will be a priority of the Academy.

Equal opportunities

The Academy uses its best endeavours to ensure that young people from every background can access courses and it is committed to equality of opportunity in employment so that nobody receives less favourable treatment on the grounds of race, colour, religion, nationality, ethnic origins, gender, marital status, sexuality or disability. The Trustees recognise that equal opportunities for students and staff should be an integral part of good practice within the workplace.

In response to the Black Lives Matter movement in June 2020 the Academy has established a Diversity Action Group comprising staff, members of faculty and alumni to review all current policies and practices to ensure that BADA is at the forefront of change and inclusion.

Statement of Trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standard have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Disclosure of information to auditor

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

Auditors

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

Small companies' exemptions

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

Approved by the Board of Trustees on 19.10.20 and signed on their behalf by



M. Boyle
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH AMERICAN DRAMA ACADEMY

Opinion

We have audited the financial statements of the British American Drama Academy (the 'charitable company') for the year ended 30th April 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 charitable company's affairs as at 30th April 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 charitable 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable 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 trustees are responsible for the other information. The other information comprises the information included in the Report of the Board of Trustees 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.

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 Report of the Board of Trustees, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Report of the Board of Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Report of the Board of Trustees.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Board of Trustees.

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 5 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

HELEN HUNT (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

20 October 2020

BRITISH AMERICAN DRAMA ACADEMY
(Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30th April 2020

	<i>Notes</i>	Unrestricted General £	Designated £	Restricted £	Total 2020 £	Total 2019 £
Incoming resources:						
Investment income	3	188,191	1,401	-	189,592	188,217
Income from programs		1,863,551	-	-	1,863,551	1,964,709
Other income		-	-	11,539	11,539	47,652
Total incoming resources		<u>2,051,742</u>	<u>1,401</u>	<u>11,539</u>	<u>2,064,682</u>	<u>2,200,578</u>
Resources expended						
Charitable activities:						
Advancement of education	4	2,029,186	25,000	17,714	2,071,900	2,079,144
Total resources expended		<u>2,029,186</u>	<u>25,000</u>	<u>17,714</u>	<u>2,071,900</u>	<u>2,079,144</u>
Net incoming/(outgoing) resources and net movement in funds for the year	6	22,556	(23,599)	(6,175)	(7,218)	121,434
Reconciliation of funds:						
Total funds brought forward		802,178	76,441	17,714	896,333	774,899
Total funds carried forward	14	<u>824,734</u>	<u>52,842</u>	<u>11,539</u>	<u>889,115</u>	<u>896,333</u>

BRITISH AMERICAN DRAMA ACADEMY
(Limited by Guarantee)

BALANCE SHEET AT 30th April 2020

	Notes	£	2020 £	£	2019 £
FIXED ASSETS					
Tangible assets	7		16,934		20,566
Intangible assets	8		-		-
					<u>20,566</u>
CURRENT ASSETS					
DEBTORS	9		196,014		374,157
CASH AND CASH EQUIVALENTS:					
Short term investments	10		402,020		400,619
Cash at bank and in hand			550,916		763,244
			<u>1,148,950</u>		<u>1,538,020</u>
CREDITORS: amounts falling due within one year	11	(156,769)		(572,253)	
NET CURRENT ASSETS			<u>992,181</u>		<u>965,767</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,009,115		986,333
LESS: PROVISION FOR LIABILITIES AND CHARGES	13		(120,000)		(90,000)
NET ASSETS			<u><u>889,115</u></u>		<u><u>896,333</u></u>
FUNDS OF THE CHARITY:					
<i>Unrestricted Funds:</i>					
Unrestricted general fund			824,734		802,178
Designated Scholarship Fund			52,842		76,441
<i>Restricted Funds:</i>					
Restricted Scholarship Fund			11,539		17,714
TOTAL FUNDS	14,15		<u><u>889,115</u></u>		<u><u>896,333</u></u>

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

The notes at pages 11 to 18 form part of these accounts.

Approved and authorised for issue by the Board of Trustees on 19.10.20 and signed on their behalf by



M. Boyle
Chairman

BRITISH AMERICAN DRAMA ACADEMY
(Limited by Guarantee)

STATEMENT OF CASHFLOWS AT 30th April 2020

	2020	2019
	£	£
Cash flows from operating activities:		
Net (expenditure)/income for the reporting period	(7,218)	121,434
Adjustments for:		
Depreciation and Amortisation charges	11,592	23,829
Interest and rental income	(189,592)	(188,217)
Decrease/(Increase) in debtors	178,143	(47,760)
(Decrease)/Increase in creditors	(415,484)	46,384
Increase in provision	30,000	30,000
	<u>(385,341)</u>	<u>(135,764)</u>
Net cash used in operating activities	<u>(392,559)</u>	<u>(14,330)</u>
Cash flows from investing activities:		
Interest receivable	2,210	1,385
Rental income	187,382	186,832
Purchase of tangible and intangible fixed assets	7 <u>(7,960)</u>	<u>(1,714)</u>
Net cash provided by investing activities	<u>181,632</u>	<u>186,502</u>
Change in cash and cash equivalents in the reporting period	<u>(210,927)</u>	<u>172,172</u>
Cash and cash equivalents at 1st May	<u>1,163,863</u>	<u>991,690</u>
Cash and cash equivalents at 30th April	<u><u>952,936</u></u>	<u><u>1,163,862</u></u>

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30th April 2020

1. Constitution

British American Drama Academy, a registered charity, is a company limited by guarantee not having a share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of its winding up.

2. Accounting policies

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

(i) Basis of accounting

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

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

(ii) Going concern

The Covid-19 pandemic is unprecedented, still evolving and therefore brings challenges and uncertainties, which the Trustees have considered in the 'Risks and Uncertainties' section of their report on page 3. The Executive in conjunction with the Board undertook detailed financial modelling and scenario analysis in March 2020 as soon as the longer term impact of COVID-19 on the Academy became apparent to determine in what format, the entity can continue as a going concern for a period of at least 12 months from the date of signing of these financial statements. These projections have taken the effects of the unfolding Covid-19 crisis into consideration and the executive have explored cost saving options, in particular reviewing the largest costs such as staffing and rent. The agreement in place with Sarah Lawrence college has been reviewed and it has been confirmed that £218k of income will still be received for the 2020/21 financial year. The other income stream expected to continue is the rental income from part of the London property. The agreement currently in place with Sarah Lawrence College is due to end on 31 May 2021 however the trustees have obtained a signed letter of intent from the college to renew the agreement for a 5 year period from 1 June 2021 and as such do not consider this to be a risk. The board have assumed a 'worst case' scenario of no courses taking place in 2020/21 and whilst wishing to assume that programs can return to 'normal' in 2021/22, are taking a cautious view and assuming that the 2021 Oxford summer programs may be unable to proceed but that by the autumn of 2021 there will be, in the educational, travel and theatre worlds, established systems and controls for containment of the spread of coronavirus such that the LTP programs for autumn 2021 and spring 2022 will be able to operate. Adjusting the financial model for 2020/21 to account for the above, and then looking forward to 2021/22 with a reduced offering indicates that the Academy has sufficient cash and general unrestricted reserves to meet its financial obligations for the period until at least 31 October 2021.

On this basis, the Trustees consider there are no material uncertainties about the entity's ability to continue as a going concern and have accordingly prepared the financial statements on a going concern basis.

(iii) Income

Income including fees received from programs, donations and investment income is recognised in the period in which it is earned and expenditure in the period in which it is incurred. Fees received for courses held in the following period are shown as fees received in advance. Non-redeemable application fees are recognised on a receipts basis. All income relates to activities taking place in the UK. Income in respect of fees is shown gross of scholarships granted.

(iv) Expenditure

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

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

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30th April 2020

(v) Fund accounting

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

(vi) Fixed assets and depreciation

All fixed assets are initially recorded at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset, less their residual values, over its expected useful life as follows:

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

Assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments in the SOFA. A full year of depreciation is provided in the year of acquisition and none in the year of disposal.

(vii) Intangible fixed assets

All intangible fixed assets are initially recorded at cost. Amortisation is provided on all intangible fixed assets at rates calculated to write off the cost of each asset, less their residual values, over its expected useful life as follows:

Website costs	- 33% straight line
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Assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments in the SOFA. A full year of amortisation is provided in the year of acquisition and none in the year of disposal.

(viii) Debtors

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

(ix) Cash and cash equivalents

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(x) Creditors and provisions

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

(xi) Financial instruments

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

(xii) Operating leases

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

(xiii) Foreign currency transactions

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction, all differences being taken to the income and expenditure account. All balances at the year-end are translated at the rate ruling at the balance sheet date.

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2020

(xiv) Pension scheme

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

(xv) Termination benefits

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

3. Investment income	2020	2019
	£	£
Bank interest receivable	2,210	1,385
Rental income	187,382	186,832
	<u>189,592</u>	<u>188,217</u>

Of the investment income received in the year £nil (2019: £nil) was in respect of restricted funds.

4. Charitable activities	2020	2019
	£	£
<i>Direct costs</i>		
Scholarships and grants	263,521	262,459
Accommodation	459,148	509,958
College fees/rebates	12,692	11,429
Teachers	161,703	173,547
Productions	57,832	72,445
Excursions	24,824	28,578
Other course expenses	20,863	35,083
Administrative staff costs	431,324	355,459
Property expenses	440,186	444,293
Travel expenses	43,923	49,698
Office costs	22,398	20,760
Professional fees	32,962	9,626
Marketing	22,116	19,153
Depreciation	11,592	23,829
Bank & credit card charges	10,179	13,776
VAT on US costs	21,172	20,252
Foreign exchange gain	(6,065)	(851)
Other expenses	7,907	7,834
Provision for bad and doubtful debts	12,583	-
	<u>2,050,860</u>	<u>2,057,328</u>
<i>Governance costs</i>		
Professional fees	3,040	3,816
Audit fees	18,000	18,000
	<u>21,040</u>	<u>21,816</u>
Advancement of education costs	<u>2,071,900</u>	<u>2,079,144</u>

Of the total expenditure on the advancement of education for the year of £2,071,900 (2019: £2,079,144), £17,714 (2019: £46,234) was from restricted funds.

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2020

5. Staff costs and Trustees' remuneration

	2020	2019
	£	£
Salaries	281,712	262,097
Termination payments for loss of office	24,100	-
Social security costs	27,750	26,519
Pension costs	15,127	14,658
	<u>348,689</u>	<u>303,274</u>

There was 1 (2019 – 1) employee with emoluments greater than £80,000 but less than £90,000, for whom pension costs of £3,620 (2019 - £3,500) were paid.

There was 1 (2019 – 0) employee with emoluments greater than £110,000 but less than £120,000, for whom pension costs of £7,553 (2019 - £nil) were paid.

The key management personnel of the charity comprise the Managing Director, the Dean and the Finance Director. The total employee benefits of the key management personnel of the charity were £227,785 (2019: £179,875).

There was 1 (2019 – 1) Trustee who received remuneration from the Academy which was wholly earned in their capacity as a teacher. The fees were paid under the legal authority contained within the Charities Act 2011. There were no amounts outstanding at 30 April 2020.

	2020	2019
	£	£
C. Cook	1,313	826

In addition, travel costs of £410 (2019 - £593) were reimbursed to 2 (2019 – 3) Trustees.

5a. Staff numbers

There were 5 employees (2019 – 4) to whom retirement benefits were accruing under a money purchase pension scheme.

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

	2020	2019
	No.	No.
Administrative	7	7
	<u> </u>	<u> </u>

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

Net incoming/(outgoing) resources for the year is stated after charging;	2020	2019
	£	£
Operating leases – equipment	408	1,633
Operating leases – property rentals	324,500	324,500
Depreciation	11,592	9,842
Amortisation	-	13,987
Auditor's remuneration – external audit	18,000	18,000
Auditor's remuneration – other services	3,040	3,036
	<u> </u>	<u> </u>

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2020

7. Tangible fixed assets

	Leasehold costs £	Equipment, furniture & fittings £	Total £
Cost:			
At 1st May 2019	400,313	64,577	464,890
Additions	-	7,960	7,960
At 30th April 2020	400,313	72,537	472,850
Depreciation:			
At 1st May 2019	385,162	59,162	444,324
Charge for the year	7,577	4,015	11,592
At 30th April 2020	392,739	63,177	455,916
Net book values:			
At 30th April 2020	7,574	9,360	16,934
At 30th April 2019	15,151	5,415	20,566

8. Intangible Assets

	Website costs £	Total £
Cost:		
At 1st May 2019	41,954	41,954
Additions	-	-
At 30th April 2020	41,954	41,954
Depreciation:		
At 1st May 2019	41,954	41,954
Charge for the year	-	-
At 30th April 2020	-	-
Net book values:		
At 30th April 2020	-	-
At 30th April 2019	-	-

9. Debtors: amounts receivable within one year

	2020 £	2019 £
Sarah Lawrence College	68,751	-
Prepayments and accrued income	109,850	96,958
Fee debtors	17,413	277,199
	196,014	374,157

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

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2020

10. Short term investments	2020 £	2019 £
Balance at 1st May	400,619	100,268
Movement in investments in the year	1,401	300,351
Balance at 30th April	<u>402,020</u>	<u>400,619</u>
11. Creditors: amounts falling due within one year	2020 £	2019 £
Fees invoiced in advance (see note 12)	-	466,131
Other creditors	145,123	81,132
Sarah Lawrence College	-	15,309
Taxation and social security	11,646	9,681
	<u>156,769</u>	<u>572,253</u>
12. Fees invoiced in advance	2020 £	2019 £
Balance at 1st May	466,131	412,554
Fees invoiced in respect of following year	-	466,131
Released to Statement of Financial Activities	(466,131)	(412,554)
Balance at 30th April	<u>-</u>	<u>466,131</u>

Fees invoiced in advance represent fees received from students prior to the year end for the following summer's residential program in Oxford. As outlined in the Going Concern review in the Trustees Report, due to COVID-19 the Oxford program for the summer of 2020 was cancelled, hence there are no fees invoiced in advance for release in the year end 30 April 2021.

13. Provision for liabilities and charges	2020 £	2019 £
Balance at 1st May	90,000	60,000
Charged to Statement of Financial Activities during the year	30,000	30,000
Balance at 30th April	<u>120,000</u>	<u>90,000</u>

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

14. Reconciliation of movements on funds

	Balance 1st May 2019 £	Movements in resources		Balance at 30th April 2020 £
		Incoming resources £	Outgoing resources £	
Unrestricted funds:				
Unrestricted General Fund	802,178	2,051,742	(2,029,186)	824,734
Designated Scholarship fund	76,441	1,401	(25,000)	52,842
Restricted Funds:				
Restricted Scholarship Fund	17,714	11,539	(17,714)	11,539
Total	<u>896,333</u>	<u>2,064,682</u>	<u>(2,071,900)</u>	<u>889,115</u>

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2020

14. Reconciliation of movements on funds (continued)

	Balance 1st May 2018	Movements in resources		Balance at 30th April 2019
	£	Incoming resources	Outgoing resources	£
Unrestricted funds:				
Unrestricted General Fund	657,513	2,152,575	(2,007,910)	802,178
Designated Scholarship fund	101,090	351	(25,000)	76,441
Restricted Funds:				
Restricted Scholarship Fund	16,296	47,652	(46,234)	17,714
Total	<u>774,899</u>	<u>2,200,578</u>	<u>(2,079,144)</u>	<u>896,333</u>

Designated Scholarship Fund

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

Restricted Scholarship Fund

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

15. Analysis of net assets between funds

	General Fund £	Scholarship Fund £	Restricted Fund £	Total Funds £
Fixed assets	16,934	-	-	16,934
Current assets	1,084,569	52,842	11,539	1,148,950
Current liabilities	(156,769)	-	-	(156,769)
Provisions	(120,000)	-	-	(120,000)
Net assets at 30th April 2020	<u>824,734</u>	<u>52,842</u>	<u>11,539</u>	<u>889,115</u>

	General Fund £	Scholarship Fund £	Restricted Fund £	Total Funds £
Fixed assets	20,566	-	-	20,566
Current assets	1,443,865	76,441	17,714	1,538,020
Current liabilities	(572,253)	-	-	(572,253)
Provisions	(90,000)	-	-	(90,000)
Net assets at 30th April 2019	<u>802,178</u>	<u>76,441</u>	<u>17,714</u>	<u>896,333</u>

16. Operating lease commitments

	2020 £	2019 £
The total future minimum lease payments under non-cancellable operating leases for land and building are:		
within one year	324,500	324,500
between one and five years	<u>108,167</u>	<u>432,667</u>

BRITISH AMERICAN DRAMA ACADEMY

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30th April 2020

17. Taxation

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

18. Related party transactions

During the year costs of £6,890 (2019: £7,074) were incurred for room hire at the Oxford Playhouse. There was no balance outstanding at 30th April 2020 (2019: £nil). The Oxford Playhouse is considered to be a related party as Louise Chantal is a Trustee at the British American Drama Academy and the Chief Executive of the Oxford Playhouse.

19. Post balance sheet events

The impact of COVID-19 on the Academy's programs for the current 2020/21 financial year has, so far, been draconian. As outlined in the Trustees' Report risk section on Page 3, the Oxford programs and the LTP autumn semester have been cancelled and there is uncertainty as to whether the company will be able to proceed with the 2021 LTP spring semester. So far for 2020/21 the Academy has received no income from its programs and is facing the prospect of there being no income from the spring semester either. All students who had been selected to join us in the autumn have been offered, and accepted, the opportunity to join the spring semester. Applications for the spring semester are still open and potentially student numbers for this semester alone could exceed total LTP student number for 2019/20. However, there is concern that US universities may take the same view of study abroad for the spring 2021 semester which traditionally starts in early January.

With this in mind the Trustees have actively reviewed how the Academy can offer the program but in a different format, either fully online or moving the program to late spring to avoid the flu season and therefore mitigate the impact of coronavirus. Taking into account the guidance published by the UK Government for higher education providers on the measures to be taken to minimise risk of transmission, the extension of social distancing measures in the UK anticipated until March 2021, the continued restrictions on international travel as well as the fact that theatres and other cultural venues in the UK may still not be fully open in the spring, Sarah Lawrence College are of the opinion that the overall experience of the students coming to London would be negatively impacted. Sarah Lawrence College and BADA have agreed that the spring semester will now be offered fully online.

The Trustees have reviewed the changed risks post year end and have produced forecasts based on the current assumptions and potential cost savings that have been identified, these have been explained in more detail in the Trustees Report on page 3 and the Going Concern Accounting policy on page 11. At present, it is considered that appropriate measures are being undertaken in respect of online offerings and costs savings to maintain an ability to resume the programmes when travel restrictions become less onerous.